



Consolidated Annual Performance and Evaluation Report

Fiscal Year 2009

(July 1, 2009 through June 30, 2010)



Prepared by:

Community Development Department
161 West Michigan Avenue
Jackson, MI 49201
(517) 768-6436

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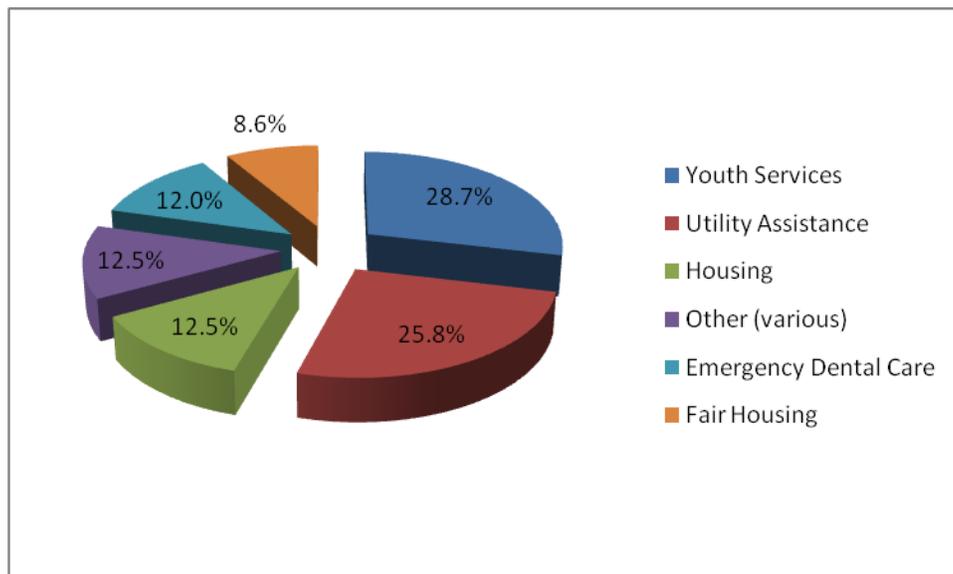
Executive Summary

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 one of its subrecipients during the 2009-2010 fiscal year (FY). 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 of its low- and moderate-income residents, and expanding the economic opportunities in the community. The Jackson City Council carefully weighs applications for funding received annually against the ever-changing needs of the community. The City of Jackson, as well as the State of Michigan, has realized little recovery from the recent failed economy, foreclosure rate, and job market, which continues to harshly impact 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

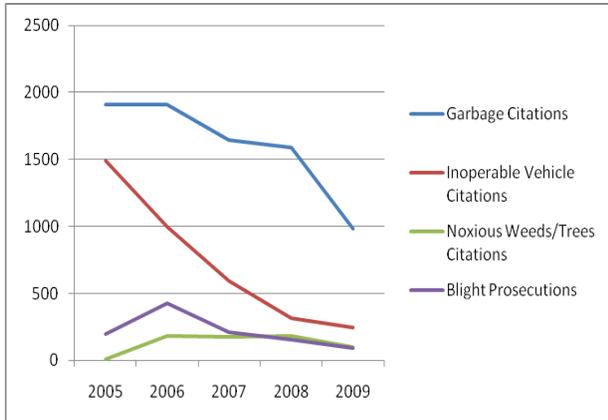
Funding was allocated to entities that provided guidance to area youth through after school and summer programs, emergency adult dental care, foreclosure prevention and homeownership training, information and referral services, and utility assistance. By supporting these agencies with CDBG funds, the 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. Since 2005, City Council has provided assistance under the public service cap as follows:



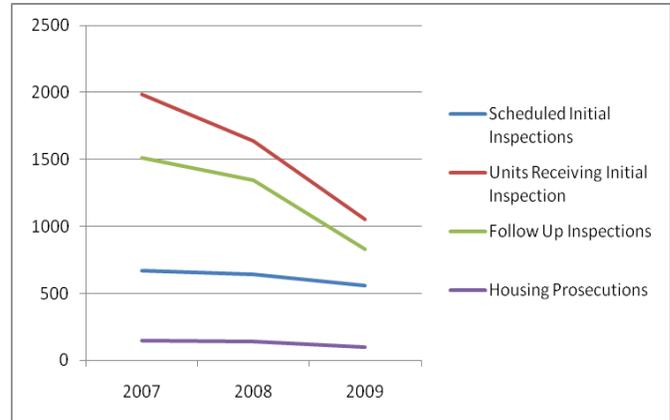
Code Enforcement and Rehabilitation

From July 1, 2009 through June 30, 2010, 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. Although CDBG funds were allocated to support this function, the City’s only Ordinance Enforcement Officer was partially funded through the General Fund in order to conduct similar activities in non-CDBG eligible areas of the City. Balancing the City’s General Fund budget required wage reductions, achieved via furlough time and the elimination of non-essential or duplicative employee positions, including the Ordinance Enforcement Officer. The elimination of the Ordinance Enforcement Officer position, which had also conducted rental inspections, is already having a significant impact on the effectiveness of the City’s Code Enforcement program:



Ordinance Enforcement



Rental Housing Inspections

As indicated above, in 2009 the City’s rental inspection program initiated 556 new inspections among its two code enforcement officers. Those initial inspections resulted in 1,052 individual units being monitored to bring them up to local code. In addition, 829 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 2009-2010, 99 AHB cases involving rental housing were initiated.

In an attempt to alleviate blight, the City’s inspectors wrote 984 garbage, trash, and debris citations that resulted in 64% voluntary compliance. Those properties not in compliance on reinspection were referred to the Department of Public Works for cleanup. Two hundred forty-eight (248) inoperable or unlicensed vehicles were cited that resulted in 85% voluntary compliance. Dead or fallen trees were cited 100 times resulting in a 56% voluntary compliance rate. The City’s AHB was utilized to gain compliance; 96 blight ordinance cases were initiated during FY 2009-2010.

The City’s Housing Rehabilitation Program completed 16 rehabilitation projects and 22 emergency hazard cases during FY 2009-2010. Five additional rehabilitation projects were initiated but not completed before June 30, 2010 and are currently in progress.

After a one year hiatus, World Changers returned to Jackson to provide assistance to the City's low- and moderate-income residents. During the week of June 14 through 18, 180 junior and high school youth and adults from Michigan, Ohio, North Carolina, Missouri, Alaska, Wisconsin, Alabama, Illinois, Kentucky and Kansas converged on Jackson to replace ten roofs, paint four homes and install two handicap ramps. CDBG funds were used to purchase the necessary construction materials and the World Changers provided the labor. In collaboration with these projects, City Council waived permit fees of \$1,210 and, for the first time, members from Jackson First Church of the Nazarene provided smoke alarms with ten-year batteries free of charge for World Changers project homeowners who consented to the installation.



Before



After



Before



After

Jobs Creation Initiative

The City of Jackson had a very unique and successful opportunity to provide a jobs creation loan to a local manufacturer diversifying from auto parts production. In 2004, RTD Manufacturing was a successful, small, family-owned growing company based in Ann Arbor producing components for automotive companies and suppliers located in and around the Detroit area. After seeking a new facility to accommodate its expanding business in the Ann Arbor/Detroit area without success, RTD management came to Jackson County and found a vacant building to suit their needs in the city that formerly housed Worthington Steel. City

Council provided incentives to RTD which made the building even more attractive. At the beginning of production in its new location, RTD brought 25 new jobs to the City of Jackson and purchased materials and services mostly from Jackson area businesses. During the next two years, RTD's sales increased 34% which resulted in additional jobs created to meet the increased demand.

In 2008 when the automotive industry began its sharp decline, RTD diversified its customer base by meeting the needs in the aerospace and alternative energy fields. Although automotive work dwindled to near nothing, RTD was able to maintain sales and employees but at a lower level than in previous years. The economic downturn continued to harshly affect the entire manufacturing base in America well into 2009. Although experiencing a sharp decline in sales and employees in 2009, RTD was not deterred and eventually was awarded a federal military contract in the amount of \$727,720 to manufacture IED brackets for military vehicles. The successful completion of this contract held promise for additional federal contracts with the potential to bring a significant economic stimulus for the Jackson community. However, RTD did not have the cash flow necessary to gear up for the production. It was at this time that RTD again turned to the City of Jackson for assistance.

On December 15, 2009, City Council approved a \$100,000 short term jobs creation loan to RTD Manufacturing from CDBG funds. With this loan, RTD was able to purchase the materials needed to produce the IED brackets and hire the additional employees needed to complete the federal contract. RTD successfully fulfilled the initial contract and was able to repay the City by April 2010. The loan not only provided the direct assistance to RTD, but also stimulated several other Jackson area businesses that provided the goods and materials needed for production and shipment.



Other Projects

The John George Home, a home for 35 elderly, indigent men, received funding to construct a new emergency stairwell. This was a multi-phase project that also utilized CDBG funds from 2008-2009 to construct an emergency elevator on the north side of the building, with additional funding resources provided by the community. The combined project removed an antiquated exterior steel open fire escape, unusable by most of the elderly residents, and replaced it with an elevator and staircase large enough for emergency personnel ingress and egress. The elevator has also provided much improved access for disabled residents and visitors to the second floor.



John George Home (Before)



John George Home (After)

The City's Engineering Department completed design, specifications, bids and contracts for street reconstruction on Mason Street from Jackson to Francis and the installation of a new sidewalk on Monroe Street from North Blackstone to the railroad tracks (approximately 1.1 miles). Work on Mason Street is anticipated to begin by September 7 and be completed by October 30. The sidewalk installation is slated to begin in August and be completed in September 2010. Further, Engineering is currently working on the design and specifications for Loomis Street from Leroy to Argyle; the bidding process and award of contract are anticipated to occur over the winter months so work can begin in the spring of 2011. Each of these projects will include the addition of handicap curb ramps at intersections and/or where feasible to provide unrestricted access to the elderly and disabled populations. A companion allocation was awarded to the City's Department of Public Works (DPW), which installed 18 sidewalk handicap curb ramps in 11 intersections during 2009-2010. The continuation of this project fits with requirements of as required by 28 CFR 35.150(d)(2). DPW staff consults with disAbility Connections, a local non-profit agency supporting disabled Jackson County residents in their efforts to live independently, for priority placement of the curb ramps.

In an effort to protect and beautify neighborhoods, the Forestry Department removed 110 dead, diseased, dying and/or dangerous ash trees decimated by the Emerald Ash Borer. New trees of varied hardy species will be planted to replace the removed ash trees. Finally, City Council approved funding a one-day citywide cleanup in which City residents were able to dispose of various household and yard debris in one location at no cost. More information on the very successful Fall Cleanup held in November 2009 is provided subsequently in this report.

Summary of Resources and Distribution of Funds

During the reporting period of July 1, 2009 through June 30, 2010, 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		\$1,645,948
Entitlement Grant B-09-MC-26-0021	\$1,394,249	
Program Income	\$198,370	
Reprogrammed Funds	\$53,329	
 HOME Investment Program		 \$677,606
Entitlement Grant M07-MC260214	\$365,975	
Reprogrammed Funds	\$311,631	
	Total:	<u>\$2,323,544</u>

CDBG funds were allocated as follows:

Activity	Amount	Approx. %
Public Services	\$152,500	10.21%
Administration & Planning	216,425	14.48%
Code Enforcement	450,000	30.12%
Rehabilitation	250,000	16.73%
Public Improvements	425,324	26.46%
 Total:	 <u>\$1,494,249</u>	 <u>100.00%</u>

HOME funds were allocated as follows:

Activity	Amount	Approx. %
Rehab Assistance	\$260,975	71.31%
CD Administration	35,000	9.56%
CHDO Operating Costs	15,000	4.10%
Acquisition/Rehab/Resale (CHDO)	55,000	15.03%
 Total:	 <u>\$365,975</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
9/22/2009	Allocate excess program income to Cleanup	\$5,000
9/22/2009	Allocate excess program income to Streets – Special Assessment Assistance	\$19,917
9/22/2009	Allocate excess program income to NRC #1	\$1,187
12/15/2009	Reallocate funds from Rehabilitation to Job Creation	\$36,000
1/12/2010	Allocate excess program income to Cleanup	\$3,329
3/9/2010	Reallocate prior year Rehabilitation funds to Emergency Hazard	\$50,000

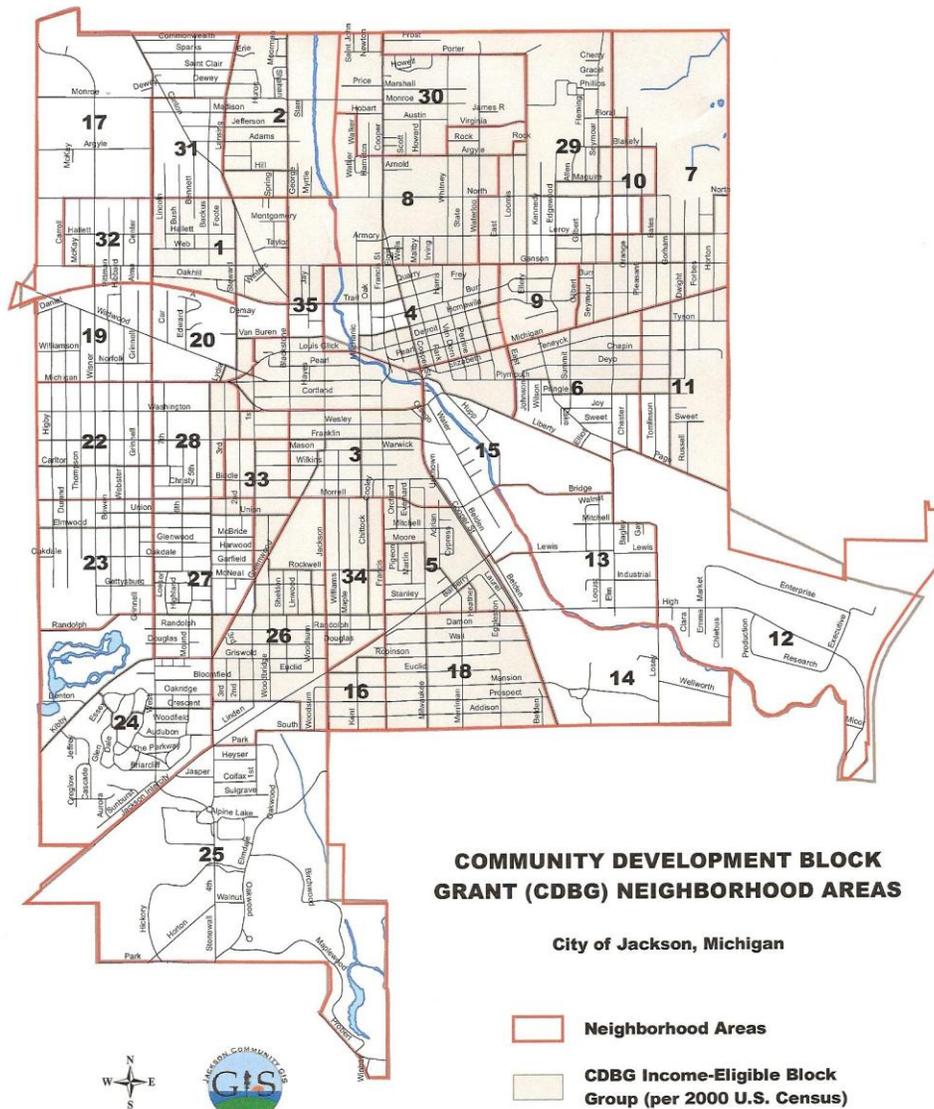
HOME

Date	Description	Amount
8/12/2009	Allocate excess program income and reallocate prior years funds to Rehabilitation Assistance Program	\$311,154
8/12/2009	Reallocate funds from prior years to CHDO Acquisition/Rehab/Resale	\$477
8/12/2009	Reallocate funds from prior years to Downpayment Assistance	\$287
11/10/2009	Reallocate funds from Rehabilitation Assistance Program to Downpayment Assistance	\$25,000
1/12/2010	Reallocate funds from HOME Administration to JAHC Administration	\$5,000

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			
Center for Family Health	\$ 15,000	\$ 15,000	100.00%
Family Services and Children’s Aid	10,000	7,263	72.63%
Jackson Affordable Housing – Foreclosure Prevention	12,500	12,500	100.00%
Jackson Affordable Housing – Homeownership Counseling	6,000	6,000	100.00%
MLK Center Summer Program	40,000	40,000	100.00%
Partnership Park Neighborhood Ass’n	5,000	4,485	89.7%
The Salvation Army	52,000	52,000	100.00%
United Way 211 Call Center	12,000	9,000	75.00%
Community Development – Administration	216,425	127,449	58.89%
Community Development - Code Enforcement	450,000	373,760	83.06%
Community Development - Rehabilitation	200,000	74,124	37.06%
Cleanup	8,329	8,329	100.00%
Dept. of Public Works	67,523	26,517	39.27%
Engineering – Monroe St Sidewalk	30,000	0	0%
Engineering – Street Paving/Reconstruction	302,801	31,530	10.41%
Forestry	25,000	18,751	75.00%
John George Home	50,000	50,000	100.00%

Agency Receiving Funds	Allocated	Expended	Percentage
Jobs Creation Initiative	36,000	36,000	100.00%
HOME			
Jackson Affordable Housing - CHDO Reserve	\$55,000	0	0%
Jackson Affordable Housing - CHDO Operating Costs	15,000	0	0%
Jackson Affordable Housing – Down Payment Assistance	25,000	7,405	29.62%
Jackson Affordable Housing – Administration	5,000	2,102	42.04%
Community Development – Rehabilitation	260,975	8,878	3.40%
Community Development – Administration	35,000	0	0%



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

Residents of the City of Jackson have been especially hard hit with the continuing economic woes. Community Development's rehabilitation staff remains committed to supplying emergency hazard and rehabilitation loans to homeowners choosing to remain in their current housing. Staff strives to increase its production even though the division is short staffed. In addition to CDBG and HOME funded rehabilitation projects, staff has been involved with stand alone lead hazard control and Neighborhood Stabilization Program projects.

Since 2005, the City has completed 154 rehabilitation projects, funded as follows:

Year	No. Cases	CDBG Funds		HOME	Total
		Reg. Rehab	Emerg. Hazard		
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
35	40	200,532	136,127	126,651	463,310
	Total:	\$546,666	471,569	\$740,434	\$1,758,669

As of June 30, 2010, 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 407 households received homeownership information and referrals. Of these, 141 households were extremely low-income, 166 were low-income, and 80 were moderate-income. In addition, 12 households closed mortgages with assistance from JAHC and funding was provided to eight (8) households to avert foreclosure proceedings.

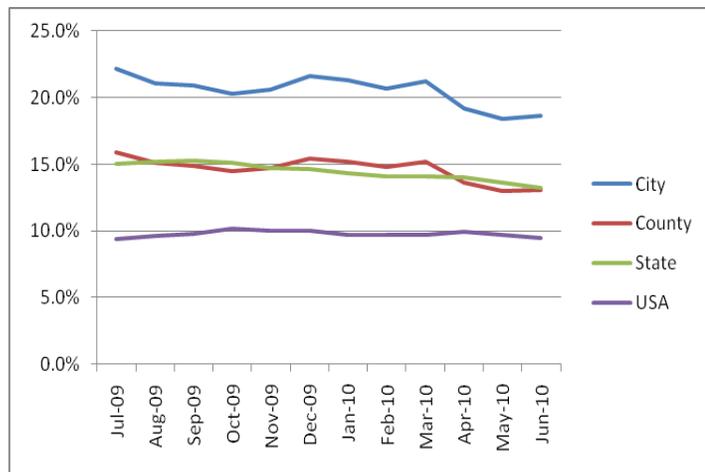
Goal 2

Economic Opportunities

Jackson has historically been a manufacturing town with a majority of the manufacturing being directly impacted by the automotive industry. To avoid going out of business, many local manufacturers had to alter their focus from producing auto parts to other areas of needs they hadn't before considered, such as parts for the health care industry. As relayed earlier in this report, one such manufacturer was RTD Manufacturing. Due to the significant downturn in demand for auto parts, RTD diversified its customer base by meeting the needs in the aerospace and alternative energy fields. Although experiencing a sharp decline in sales and employees in 2009, RTD eventually was awarded a federal military contract in the amount of \$727,720 to manufacture IED brackets for military vehicles.

With the assistance of a \$100,000 short term Jobs Creation Initiative Loan provided by the City from CDBG funds, RTD was able to successfully fulfill the terms and conditions of the initial federal award. In return, 44 jobs were created or retained by RTD and/or its suppliers.

With the continuing high unemployment rates experienced in Michigan, Jackson County and especially the City of Jackson, the City's Economic Development Program Manager continues to present the Jobs Creation Initiative loan as an economic development incentive to eligible businesses. However, local businesses are not currently willing to provide the type of investments required to receive these loans. City staff continues to explore 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 peaked in July 2009 at 22.2%. April, May and June 2010 provided a slight improvement with jobless rates ranging from 18.4% to 19.2%; however, July 2010 saw a return to over 20% unemployment.

Goal 3

Elimination of Blight

City inspectors continued with blight ordinance enforcement activity, citing homeowners for garbage, trash and debris; inoperable or unlicensed vehicles; and dead, diseased, dying or dangerous trees. Homeowners voluntarily complied with the citations and removed or eliminated the violations, requiring no further action from the City, 64.02% of the time for garbage, 84.68% of the time for inoperable or unlicensed vehicles, and 56% 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 making neighborhoods safer by removing and replacing diseased, dead, dying or dangerous ash trees affected by the Emerald Ash Borer, and continuation of a sidewalk handicap curb ramp installation program.

The City experienced another very successful citywide cleanup day sponsored by CDBG funds. City of Jackson residents were provided a single location to dispose of yard waste, metal, tires, mattresses/boxsprings and other general refuse at no cost. Residents again expressed their gratitude for the opportunity to effectively dispose of items, especially larger items, cluttering their yards and homes. Below is a comparison of the April 26, 2008 and November 14, 2009 cleanup days:

	April 26, 2008	November 14, 2009
Number of vehicles	300	over 500
Number of volunteers	< 10	48
Garbage from Dumpsters	39 tons	81.37 tons
Scrap Tires	800	1,400
Scrap Metal	60 cubic yards	4.16 tons
Yard Waste	80 yards	Nominal
Mattresses/Boxsprings	not collected separately	177

Emmons Service, Inc. provided nine 40-yard dumpsters, increased from four 40-yard dumpsters in 2008, which allowed for a more continuous flow of garbage collection, hauling, and re-setting of the dumpsters. HUCO/Kurpinski Recycling collected tires, scrap metal, TVs (13), LP tanks (4) and car batteries (17). Disposal of the scrap metal provided Kurpinski enough funds to offset the cost of disposing of the other items listed. The Society of St. Vincent de Paul Thrift Stores collected mattresses and boxsprings to send to a facility in Illinois for refurbishing.

Goal 4

Public Services

CDBG funds were used to assist the City of Jackson's disadvantaged youth with the following services:

- 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.
- 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:

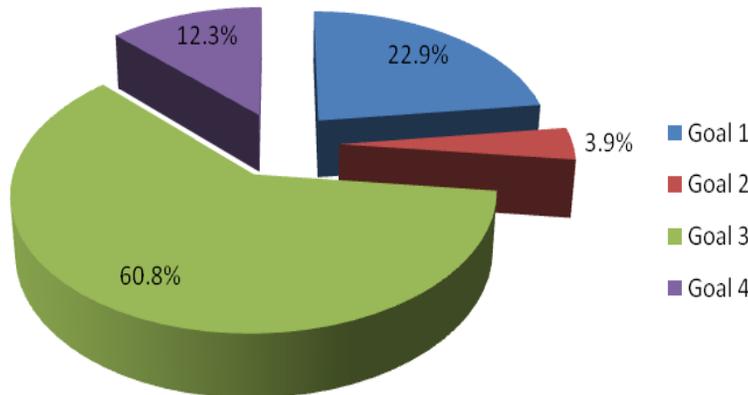
- Emergency dental care through the Center for Family Health.
- Foreclosure prevention and homeowner training and counseling through Jackson Affordable Housing Corporation.
- Utility shutoff prevention through The Salvation Army.
- Information and referral services through the United Way’s 211 Call Center.

The City of Jackson received \$7,780,740 in CDBG funding since 2005 and has allocated said funds to attain its stated goals as follows:

Goal 1 – Decent, affordable housing	\$1,659,961
Goal 2 – Economic Development	121,500
Goal 3 – Elimination of Blight	3,944,665
Goal 4 - Public Services.....	903,319

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	\$ 202,954
Goal 2 – Economic Development	197,426
Goal 3 – Elimination of Blight	992,417
Goal 4 - Public Services.....	96,909



Of the entities listed on Pages 7 and 8 that have not yet expended their 2009-2010 funding, City Council reviewed each request to extend the time within which to spend Year 35 funds as follows:

Subrecipient	Balance	Plans to Rectify
CDBG		
Downtown Development Authority (DDA)	\$5,180 (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.
Engineering (sidewalk)	\$30,000	Project has been bid and contract awarded; work scheduled to begin in August and be completed by end of September 2010.
Engineering (street reconstruction)	\$270,972.90	Reconstruction of the Mason Street project is scheduled to begin on September 7 and be completed by the end of October 2010. Loomis Street has been designed and specifications written; bids will be taken and contract awarded during the winter months so reconstruction can begin in spring 2011.
Department of Public Works (DPW)	\$26,516.68	Eighteen curb ramps were installed in eleven intersections by June 30, 2010. As DPW received an additional allocation for the 2010-11 grant year, an extension of time to spend the funds was approved until 6/30/11.
Forestry	\$6,249.36	Forestry successfully completed its plans to remove 110 ash trees and came in under budget. As Forestry received an additional allocation for the 2010-11 grant year, an extension of time to spend the funds was granted until 6/30/11.
Community Development – Administration	\$91,870	Continuing to spend down prior year funding; remaining funds carried over to FY 2010-11.
Community Development - Code Enforcement	\$76,402	Continuing to spend down prior year funding; remaining funds carried over to FY 2010-11.
Community Development - Rehabilitation	\$139,876	Continuing to spend down prior year funding; remaining funds carried over to FY 2010-11.

HOME		
Jackson Affordable Housing Corp. (JAHC) – CHDO Reserve	\$16,694.68 (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). The time to spend funds was extended to 6/30/11.
JAHC – CHDO Operating Expenses	\$1,541.75	Operating expenses are tied to CHDO expenses; an extension of time was granted to 6/30/11.
Community Development – Rehabilitation	\$545,160	Continuing to spend down prior year funding; remaining funds carried over to FY 2010-11.
Habitat for Humanity	\$13,266.86	Funds extended to 6/30/11 to be used on a YouthBuild project.

Community Development rehabilitation staff continues to evaluate and update its program guidelines for rehabilitation projects. As homeowners are unable to afford a housing upgrade by moving to a new home, low- and moderate-income residents apply for rehabilitation or emergency hazard assistance to improve the home they currently own but are unable to meet the expense on their own. The economic development staff continues to incorporate more opportunities to create jobs, such as funding microenterprises or providing Section 108 loans.

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 City's Analysis of Impediments to Fair Housing Choice was updated and received by the City Council in early 2010. The Summary of Recommendations are as follows:

Alleviate Identified Impediments to Fair Housing Choice - opportunities to alleviate or eliminate the impediments identified on pages 2 and 3 of the Analysis should be given high consideration, whether it is by providing a specific service or supporting community partners who are better able to address the issues.

Provide Financial Support to Fair Housing Activities – City Council is advised to consider annual CDBG allocations to the Fair Housing Center of Southeastern Michigan to reinstate fair housing activities of education, complaint receipt, testing, investigation, and potential enforcement of Chapter 14, Article IV, Sections 14-131 through 14-140, City of Jackson Code of Ordinances.

Update Fair Housing Ordinance – City Council is advised to direct the language used in the City of Jackson's Fair Housing Ordinance, Chapter 14, Article IV, Sections 14-131 through 14-140, City of Jackson Code of Ordinances, be updated to be more reflective of current terminology used for gender and diversity.

Fair Housing Law Promotion – The Community Development Department is advised to enhance its Fair Housing promotion by including a statement on housing code inspection compliance certificates.

Neighborhood Revitalization – City Council is advised place high importance on continued efforts to improve the Neighborhood Stabilization Program (NSP) Target Neighborhood after NSP grant funds have been expended to provide additional enhancement to this distressed area of the City. Medium importance should be placed on continued financial support to the Partnership Park Downtown Neighborhood as significant investment and revitalization has already occurred.

Transportation - The City is advised to continue, and possibly expand, its participation in various boards, committees and study groups dedicated to improving public transportation in the community.

Continued Financial Support for Housing Programs - City Council is advised to maintain, and possibly enhance, financial support from its entitlement grants toward programs designed specifically for housing. Such programs include homeownership counseling, foreclosure prevention, down payment assistance, rehabilitation of housing, and construction of new housing.

At this time, no action had been taken in relation to the recommendations made in the Analysis of Impediments.

Affordable Housing

Foster and Maintain Affordable Housing

During fiscal year 2009-2010, the City provided funding to JAHG for various activities relative to affordable housing, such as downpayment assistance, homeownership counseling, foreclosure prevention, and acquisition/rehabilitation/resale as the City's CHDO. 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. During FY 2009-2010, 556 rental buildings consisting of 1,052 housing units received an initial inspection. 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. While the target time to reinspect a designated area is three to five years, it is estimated that at the current staffing levels, inspectors will not be back in the designated area for six to eight years.

Eliminate Barriers to Affordable Housing

With consistently high unemployment, low income, and an ever shrinking safety net, many of the community's residents struggle with multiple issues besides housing. Because the need is much greater than the City can provide for, several gaps are filled by non-profit and faith-based entities. While this alleviates some demands, it still is not great enough to assist everyone, nor provide a cure to the problems.

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. As the City's only CHDO, JAHC also received HOME funds for acquisition, rehabilitation, and resale to low- and moderate-income homebuyers.

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, 37 ramps have been installed for disabled homeowners by disAbility Connections, the Rotary Club, and Mission Serve. Eleven of those ramps were constructed during fiscal year 2009-2010.



Continuum of Care

The City of Jackson supports the Jackson County Continuum of Care (CoC), which received Emergency Shelter Grant funding from the Michigan State Housing Development Authority (MSHDA) to address the needs of the homeless. A City staff member co-chairs and 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:

Interfaith Shelter	78 beds (homeless)
AWARE Shelter	26 to 30 beds at shelter (abused women); 43 transitional
CAA	12 TBRA beds, 108 transitional beds, 7 permanent supportive housing
Training & Treatment Innovations	75 beds in supportive housing
MPRI	25 transitional beds (prisoner re-entry)

The CoC receives Emergency Solution Grants (ESG), Homeless Assistance Recovery Program (HARP), Tenant Based Rental Assistance (TBRA) from MSHDA, and also receives a Supportive Housing Program (SHP) grant from HUD.

As a CDBG and HOME entitlement community, the City of Jackson received \$568,942 in Homelessness Prevention and Rapid Re-Housing Program (HPRP) funds from HUD. From January 1 to June 30, 2010, nearly one-half of the funds had been spent on the City's homeless or soon-to-be homeless population. During that time, 71 households (183 persons) received rental assistance to keep them from becoming homeless, and 26 households (58 persons) deemed homeless were provided short- to medium-term housing. Further, with HPRP funding to support an attorney at Legal Services of South Central Michigan, 115 households (266 persons)

received representation in court during an eviction hearing to prevent them from losing their housing. Additionally, the CoC received \$226,168 in funds from MSHDA to provided HPRP activities for Jackson County, excluding the City. The Community Action Agency reports it has provided assistance to 88 persons in 26 households.

City staff was also actively involved in the planning and implementation of the second Project Homeless Connect conducted by the CoC, which took place on November 20, 2009. With a small grant from the Michigan Coalition Against Homelessness, Project Connect 2009 was able to expand upon its first event in 2008, reaching more of the intended population and providing additional services. An exit interview conducted at Project Connect allowed for a Point in Time (PIT) count, which was entered into the County's HMIS. Results from the PIT count were as follows:

Number of guests served	254
Number of male guests	80
Number of female guests	140
Number of children (0 – 18 years)	34
Number of guests who stated they were homeless	87
Number of guests who stated they were	
doubled up	46
couch surfing	10
shelter	19
car/outside/hotel	12
Number of guests who stated they were unemployed	189

The event drew 130 volunteers and 50 service providers and offered the following services at no cost to the participants:

Service	# Guests Served
Completed SOAR Application	13
Shelter Reservations	7
Completed DHS Application	99
Commodity Food	250
Preventive Medical Care	40
Bicycle Repair	42
Bus Passes	35
Clothing Voucher	65
Court/Legal Screening/Legal Service	47
Credit Counseling	10
Employment Assistance	38
Eyeglass Repair	63
Haircuts	35
Housing Counseling	39
ID Assistance	23
Massage	17
Meals for the day	264
Mental Health Screening	25
Hygiene Kits	220
Substance Abuse Services	12

Students from Spring Arbor University attended the event to obtain footage for a documentary they planned. The Jackson Transportation Authority provided free bus rides to and from the event for anyone who identified Project Connect as their destination. All in all, it was a wonderful event not only for the homeless, but also for the community members who volunteered to assist. Due to the success of the November 2009 Project Connect event, the CoC allocated funding for another Project Connect event on July 23, 2010, which initial numbers indicate was even more successful.

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 a 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. However, as noted in the 2010 Analysis of Impediments to Fair Housing Choice, there is a lack of developers and resources to create more affordable or low-income housing. City Inspectors noted large families of five or more persons have difficulty finding housing with enough bedrooms as real estate investors purchased many of the City's larger single-family homes and then converted them into two to four unit apartment buildings. The disabled population faces accessibility issues to affordable scattered site housing, severely limiting their residency choices. While availability of affordable housing units 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.

Overcome Gaps in Institutional Structures and Enhance Coordination.

The City of Jackson works with other organizations, including public institutions, non-profit organizations, and private industry and continues to strengthen relationships with agencies that provide services to Jackson's low- and moderate-income residents. The City encourages its citizens and business leaders to participate in all aspects of its programs and governing decisions. In addition to public hearings on specific issues, citizens are given time at the beginning of each City Council meeting to address the City Council on issues of concern to them. Through this citizen input, the City Council has developed alternative program plans to address concerns in some cases.

City staff has attended meetings of the Partnership Park Neighborhood Association to receive and act on issues addressed during those meetings. Staff has also attended meetings of the Jackson Area Association of Realtors and Jackson Area Landlord's Association to discuss

programs offered by the City, such as its rehabilitation and lead hazard control programs. Additional meetings of community service providers are regularly attended by City staff, such as Neighbors in Need, Income Community Solutions, Continuum of Care, and the Emergency Needs Coalition to stay informed of the City's community development and housing needs. By increasing the City's involvement in community meetings, more effective coordination and collaboration with housing providers, social service agencies, and local government can be achieved.

The City of Jackson intends to apply to HUD for a Community Challenge Planning Grant and Choice Neighborhoods Initiative, and will also participate in a Sustainable Communities Planning Grant for regional planning. Should the City be successful in obtaining these grants, it will allow for the development of an updated comprehensive plan through a needs assessment and gaps analysis to provide city and community leaders a visionary and goal-oriented plan workable with various public, private, governmental and quasi-governmental divisions. The assessment/analysis will concentrate on housing and neighborhood needs, stimulate economic development, improve public transportation, and review future land use and zoning changes necessary to advance progression.

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 three Asset Management Projects 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.

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 to sell 50 scattered site units to qualifying low- and moderate-income homebuyers. As of June 3, 2008, 10 units had been sold. Proceeds from future sales will be used for good supporting housing purposes to include, but not be limited to, development of low-income housing.
- 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.

The waiting list for Section 8 housing is quite extensive, totaling 1,084 families 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 295 families 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.

The JHC received \$889,894 in Capital Funds Recovery Grant from the American Recovery and Reinvestment Act of 2009. The 40 single-family scattered site units remaining in the Home Ownership Plan are currently receiving updates, including new roofs, water heaters, furnaces, windows and doors.

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.

In 2006, the City of Jackson was awarded a two million dollar HUD Office of Healthy Homes Lead Hazard Control Grant 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 offered 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 provided 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 partnered with Community Action Agency, the 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. With this funding, the City was able to provide 173 lead safe units. Approximately 18% of the total number of children under age 6 in Jackson County have been tested for blood lead levels, with 3% having levels greater than or equal to 10 micrograms per deciliter, indicating an elevated blood lead level as defined by the Center for Disease Controls.

The current grant expired on March 31, 2010 and, while the City applied for HUD FY2009 continuation of funding, we were not successful. HUD complimented the City of Jackson for presenting an excellent application, and strongly encouraged the City to apply for 2010 funds. A debriefing session revealed scoring was just shy of having been approved:

Rating Factor	Total Possible Points	City's Score
Capacity of Applicant and Relevant Organizational Experience	20	16.95
Need/Extent of the Problem	15	13.00
Soundness of Approach	40	31.40
Leveraged Funds	10	10.00
Results and Program Evaluation	15	13.05
EZ/EZRC	2 (bonus)	n/a
Total:	102	84.40

The loss of this grant funding has not only put City of Jackson children at risk of elevated blood lead levels (nearly 86% of the City's housing stock was built before 1970), it has also created an economic impact to the community. For each job awarded, a lead paint risk assessor, contractor and crew (2 – 3 people), lead clearance professional, and local material suppliers were used. Loss of the grant also led to the termination of two City employees who staffed the administrative and project development duties. City staff is maintaining a waiting list, currently at 55 potential participants, should the City be successful in attaining FY2010 funding.

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.

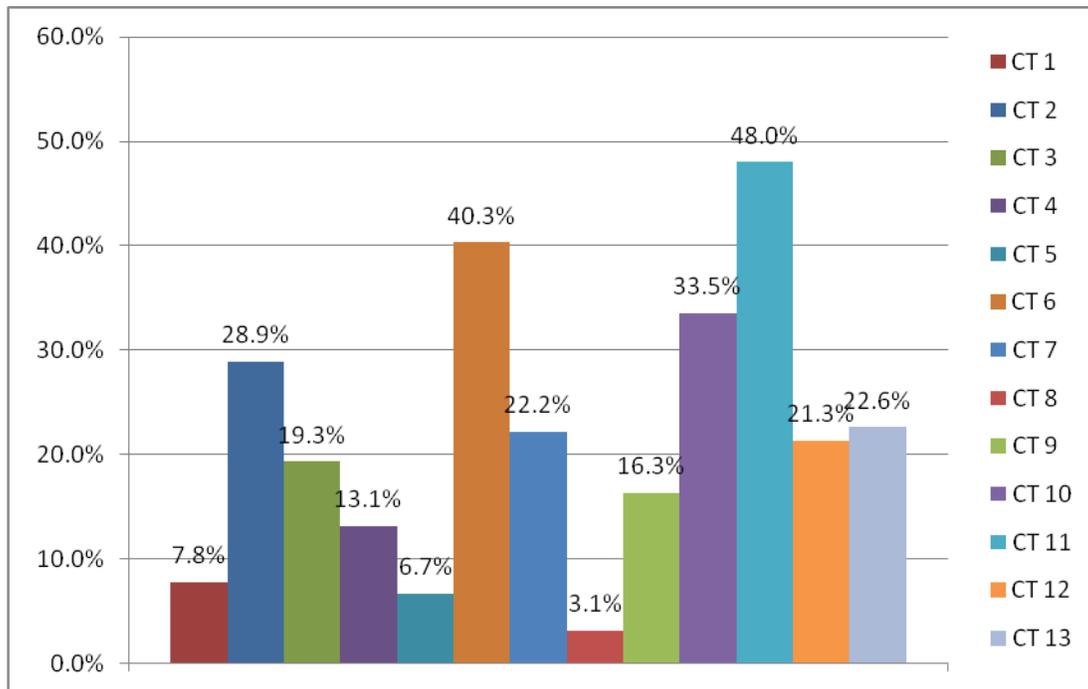
Reduce the Number of Persons Living Below the Poverty Level

The Federal Financial Institutions Examination Council (FFIEC) published Summary Census Information based on estimates in 2010. The 2010 HUD Estimated Median Family Income for the County of Jackson is \$58,600; only Census tract 8 in the City surpassed that amount by recording an estimated Median Family Income of \$78,336.

CT	Percent Minority	Percent Below Poverty	2000 Median Family Income	2010 Est. Median Family Income	Tract Median Family Income %
1	12.04%	7.84%	\$40,230	\$46,259	78.94%
2	28.35%	28.93%	\$26,548	\$30,525	52.09%
3	16.51%	19.35%	\$35,682	\$41,032	70.02%
4	12.52%	13.06%	\$38,115	\$43,827	74.79%
5	11.49%	6.74%	\$47,177	\$54,246	92.57%
6	30.03%	40.29%	\$21,728	\$24,987	42.64%
7	21.86%	22.16%	\$32,917	\$37,850	64.59%
8	9.83%	3.09%	\$68,125	\$78,336	133.68%
9	21.17%	16.30%	\$41,480	\$47,700	81.40%
10	48.32%	33.53%	\$26,213	\$30,144	51.44%
11	80.09%	48.04%	\$16,847	\$19,373	33.06%
12	24.96%	21.30%	\$40,912	\$47,044	80.28%
13	62.74%	22.64%	\$35,491	\$40,809	69.64%

Source: 2010 FFIEC Census Reports

Based on this information, approximately 21.8% of the City’s residents live at or below the poverty level, with two of the highest concentrations in Census tracts 6 and 11, where the average number of residents living at or below the poverty level is over 40%.



Poverty Rates by Census Tract

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, it does provide funding to public service agencies that can provide basic needs services at no or little cost to an individual or family. 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 funding sources to provide services remain the same or are reduced. The State continues to make drastic budget cuts, further aggravating the cycle of poverty and the ability of families to recover.

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, two million dollar HUD Office of Healthy Homes Lead Hazard Control grant that worked in conjunction with the City's rehabilitation program to improve the current housing conditions and create a healthier living environment throughout the community and will apply for the 2010 Lead-Based Paint Hazard Control Grant Program and Lead Hazard Reduction Demonstration Grant Program. The City's CDBG and HOME grants 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.

During the preliminary planning stages to develop the City's 5-Year Consolidated Plan, the current Citizen Participation Plan was evaluated. After much research and analysis of the current Citizen Participation Plan structure and consultation with similar-sized entitlement communities in Michigan, it was determined improvements could be made to that plan, including the Citizens Advisory Council. Staff is currently revising the Citizen Participation Plan as authorized by the Jackson City Council, which will restructure the advisory council to be comprised of community leaders and citizens from CDBG-eligible areas that could conduct public hearings, receive citizen comments, provide reports to City Council regarding those hearings and comments, provide guidance to Councilmembers in the application/allocation process, and evaluate annual grant performance.

Because the City deviated from its current Citizen Participation Plan during its redevelopment, extra measures were taken to solicit public comment. Community service providers catering to low- and moderate-income persons posted flyers created by Community Development staff announcing the day, date, time, and reason for the public hearing. Among the agencies that posted the flyers were: Community Action Agency's housing assistance office, the AWARE shelter, Jackson County Department of Human Services, The Salvation Army, South Central Michigan Works!, the three Jackson Housing Commission public housing complexes, the Community Development Department's lobby, and on the front entrance doors to City Hall.

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 strives 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 \$450,000 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 1,097 rental units inspected

Rehabilitation Community Development Dept.	Funding \$200,000 CDBG	Target Area City-wide
	Planned Beneficiaries Low- and Moderate-Income Clientele	
Outcome Improved housing conditions for owner-occupied residences	Planned Units 23 units	Actual Units 0 Residential Rehab projects 18 Emergency Hazard projects
<i>Note: In addition to what is reported above, 11 rehab and 4 hazard projects were completed with prior years' funding.</i>		

Rehabilitation – Emergency Stairwell John George Home	Funding \$50,000 CDBG	Target Area CT000400, BG5
	Planned Beneficiaries Low- and Moderate-Income Clientele	
Outcome Improved accessibility for residents and emergency personnel	Planned Units 1	Actual Units 1

Goal 2 – Encourage an Economic Climate

Jobs Creation Initiative Community Development	Funding \$36,000 CDBG	Target Area City-wide
	Planned Beneficiaries Low- and Moderate-Income Jobs	
Outcome Provided loans to businesses for improvements while creating/retaining jobs for low-income residents	Planned Units 1	Actual Units 1

Goal 3 – Prevent and Eliminate Blight

<p>Code Enforcement Community Development Dept.</p>	Funding \$450,000 CDBG	Target Area City-wide
	Planned Beneficiaries Low- and Moderate-Income Area	
<p>Outcome Improved neighborhoods (see also Goal 1 for rental housing info)</p>	Planned Units	Actual Units 984 garbage citations written 248 Inoperable/Unlicensed Vehicle citations written 100 Dead Trees written
<p>Cleanup Community Development Dept.</p>	Funding \$8,329 CDBG	Target Area City-wide
	Planned Beneficiaries Low- and Moderate-Income Area	
<p>Outcome Provided City residents a one-day opportunity to dispose of household and yard debris free of cost</p>	Planned Units	Actual Units 81.37 tons of garbage 1,400 scrap tires 4.16 tons scrap metal 177 mattresses/boxsprings
<p>Monroe Street Sidewalk City Engineering</p>	Funding \$30,000 CDBG	Target Area CT000200, BG1
	Planned Beneficiaries Low- and Moderate-Income Area	
<p>Outcome Installed 1,000 feet of new sidewalk</p>	Planned Units 1	Actual Units 0
<p>Street Paving/Reconstruction City Engineering</p>	Funding \$302,801 CDBG	Target Area CT000600; CT001000, BG1; CT001100, BG1
	Planned Beneficiaries Low- and Moderate-Income Area	
<p>Outcome Improved drivability of local streets</p>	Planned Units 2	Actual Units 0
<p>Sidewalk Handicap Curb Ramps Department of Public Works</p>	Funding \$67,523 CDBG	Target Area CT000700; CT001000; CT001100; CT001200
	Planned Beneficiaries Low- and Moderate-Income Clientele (presumed)	
<p>Outcome Improved accessibility for elderly or disabled residents</p>	Planned Units 27	Actual Units 18

Ash Tree Removal/Replacement City Forestry	Funding \$25,000 CDBG	Target Area CT000700; CT001000;CT001100, BG1
	Planned Beneficiaries Low- and Moderate-Income Area	
Outcome Removed dead, dying, diseased, and/or dangerous tree to beautify neighborhoods	Planned Units 100	Actual Units 110

Goal 4 – Public Services

Emergency Adult Dental Care Center for Family Health	Funding \$15,000 CDBG	Target Area City-wide
	Planned Beneficiaries Low- and Moderate-Income Clientele	
Outcome Provided affordable oral health care	Planned Units 1,100	Actual Units 866

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 45

Families and Schools Together Family Service & Children’s Aid	Funding \$10,000 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 412

Homeownership Counseling & Training Jackson Affordable Housing Corp.	Funding \$6,000 CDBG	Target Area City-wide
	Planned Beneficiaries Low- and Moderate-Income Clientele	
Outcome Provided information and training to prospective homeowners	Planned Units 650	Actual Units 407

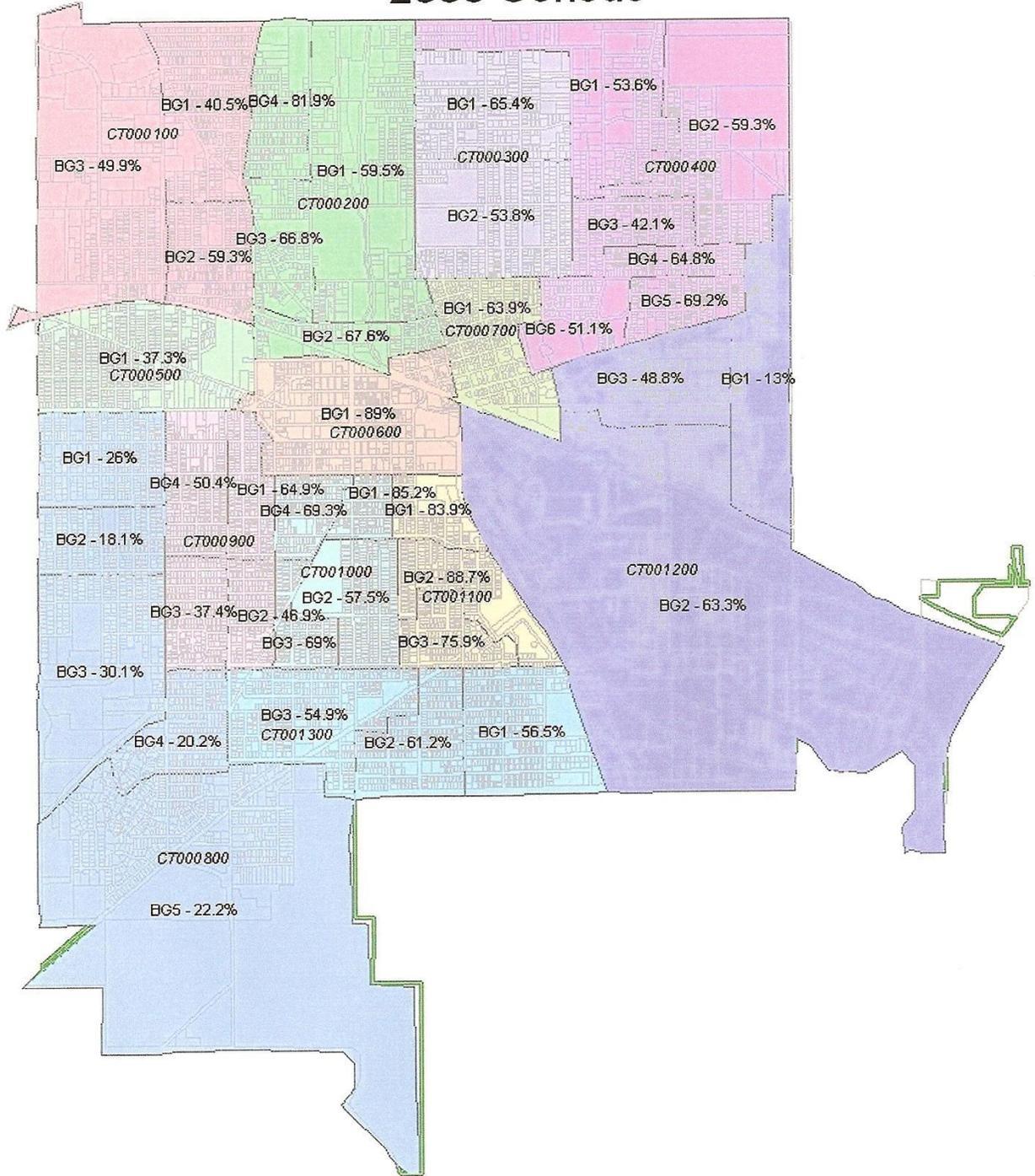
Foreclosure Prevention Jackson Affordable Housing Corp.	Funding \$12,500 CDBG	Target Area City-wide
	Planned Beneficiaries Low- and Moderate-Income Clientele	
Outcome Assisted LMI families through a one-time financial crises	Planned Units 3	Actual Units 8

MLK Summer Youth Program Parks & Recreation Dept.	Funding \$40,000 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 400	Actual Units 517

Utility Assistance The Salvation Army	Funding \$52,000 CDBG	Target Area City-wide
	Planned Beneficiaries Low- and Moderate-Income Clientele	
Outcome Allowed families to keep their power and heat on	Planned Units 135	Actual Units 152

2-1-1 Call Center United Way of Jackson County	Funding \$12,000 CDBG	Target Area City-wide
	Planned Beneficiaries Low- and Moderate-Income Clientele	
Outcome Provide an information and referral service	Planned Units 4,199	Actual Units 4,952

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.

On December 15, 2009, City Council approved a \$100,000 short term jobs creation loan to RTD Manufacturing from CDBG funds. With this loan, RTD was able to purchase the materials needed to produce the IED brackets and hire the additional employees needed to complete a federal contract. RTD successfully fulfilled the initial contract and was able to repay the City by June 2010. The loan not only provided the direct assistance to RTD,

but also stimulated several other Jackson area businesses that provided the goods and materials needed for production and shipment.

Program Income Received

Program Income Type	Amount
CDBG	
Sale of Real Property	\$ 1,170
Economic Development Loan Repayments	115,750
Deferred Loan Repayments	21,706
MSHDA PIP Loan/Inspection Fees	-0-
HOME Administration	30,000
Accounts Receivables, Permits, Code Enf., etc.	38,497
Other Program Income	868
Total CDBG Program Income:	<u>\$207,991</u>
HOME	
HOME Program Loan Repayment	-0-
Total HOME Program Income:	<u>-0-</u>

Loans and Other Receivables

As of June 30, 2010, the City of Jackson has the following open outstanding loans:

No. of Loans	Type	Balance
208	Rehab (repayable)	\$2,765,884.77
44	Lead (forgivable)	192,509.36
69	Emergency Hazard (repayable)	367,793.36
1	Section 108 (repayable)	700,000.00

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)	\$1,045,375.00

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	
5-1090	140 Stanley	NSP rehab
5-1345	115 Damon	NSP rehab
4-0654	941 S Jackson	NSP rehab
5-0683	1043 Chittock	NSP rehab
6-1104	1906 Plymouth	
7-1194	1911 E Ganson	
7-0348	604 Detroit	NSP rehab
3-0128	509 W Franklin	NSP rehab
7-1057	1707 E Ganson	NSP rehab
3-1630	733 Oakdale	NSP rehab
8-0356	544 N Pleasant	NSP rehab

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

Tax ID No.	Address	
7-0890	1212 Burr	Sold
8-0786	1306 Leroy	Rehab complete; listed
8-1633	734 N Waterloo	Rehab ongoing
5-2128	333 E Euclid	Sold
4-0588	606 S Mechanic	Sold

HOME Program

Rehabilitation Assistance Community Development	Funding \$260,975 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
<i>Note: In addition to what is reported above, 5 rehab projects were completed with prior years' funding.</i>		

Down Payment Assistance Jackson Affordable Housing Corp.	Funding \$25,000 HOME	Target Area City-wide
	Planned Beneficiaries Low- and Moderate-Income Clientele	
Outcome Increased homeownership opportunities	Planned Units 6 - 8	Actual Units 3

Acquisition/Rehab/Resale Jackson Affordable Housing Corp.	Funding \$55,000 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

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 rehabilitation assistance, acquisition/rehabilitation/resale, and down payment assistance. The City's Community Housing Development Organization (CHDO), JAHC, was able to complete a rehabilitation project started in 2008-2009 and sell it to a low-income household. JAHC also acquired two other modest homes at 1306 Leroy and 734 North Waterloo in 2009-2010. The rehabilitation at Leroy has been completed and the home is currently being marketed to eligible purchaser, while North Waterloo is currently in the process of being rehabilitated.

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. No HOME match is required to be paid by the City of Jackson for FY2009 as HUD continues to determine 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.

Consolidated Annual Performance Evaluation Report Citizen Comments

On September 10, 2010 a draft copy of CAPER was made available to the public at the following locations:

Community Development Department
City Hall, 3rd Floor
161 W Michigan Avenue, Jackson

Jackson District Library Carnegie Branch
224 W Michigan Avenue, Jackson

Greater Jackson Habitat for Humanity
1207 Pringle, Jackson

Shahan-Blackstone North Apartments
109 Shahan Drive, Jackson

Reed Manor
301 Steward Avenue, Jackson

Chalet Terrace
316 Barberrry, Jackson

A Public Notice was published in the *Jackson Citizen Patriot*, the local daily paper, on Saturday, September 11, 2010, and in *The Jackson Blazer*, a weekly publication. The Public Notice informed readers of a Public Hearing to be held at the September 28, 2010 City Council Meeting wherein comments would be received, the locations of the draft copies for review, and contact information to direct their comments if they did not wish to attend the Public Hearing.

No citizen comments were received.