



**Department of Neighborhood  
& Economic Operations**  
**2014-2015 Action Plan**  
Building a Stronger Jackson



**Community Development Block Grant**



**HOME Investment Partnerships Program**



Before



After



**APPLICATION FOR FEDERAL ASSISTANCE**

OMB Approved No. 3076-0006

Version 7/03

<b>1. TYPE OF SUBMISSION:</b> Application <input type="checkbox"/> Construction <input checked="" type="checkbox"/> Non-Construction	Pre-application <input type="checkbox"/> Construction <input type="checkbox"/> Non-Construction	<b>2. DATE SUBMITTED</b>	Applicant Identifier
		<b>3. DATE RECEIVED BY STATE</b>	State Application Identifier
		<b>4. DATE RECEIVED BY FEDERAL AGENCY</b>	Federal Identifier

**5. APPLICANT INFORMATION**

Legal Name: <b>City of Jackson</b>	<b>Organizational Unit:</b> Department: <b>Neighborhood &amp; Economic Operations</b>
Organizational DUNS: <b>085031656</b>	Division: <b>Neighborhood &amp; Economic Operations</b>
<b>Address:</b> Street: <b>161 West Michigan Avenue</b>	<b>Name and telephone number of person to be contacted on matters involving this application (give area code)</b> Prefix: First Name: <b>Michelle</b>
City: <b>Jackson</b>	Middle Name <b>L.</b>
County: <b>Jackson</b>	Last Name <b>Pultz-Orthaus</b>
State: <b>MI</b> Zip Code <b>49201</b>	Suffix:
Country: <b>USA</b>	Email: <b>mpultz@cityofjackson.org</b>

<b>6. EMPLOYER IDENTIFICATION NUMBER (EIN):</b> <b>38-6004701</b>	Phone Number (give area code) <b>517-768-6436</b>	Fax Number (give area code) <b>866-971-2151</b>
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<b>8. TYPE OF APPLICATION:</b> <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision If Revision, enter appropriate letter(s) in box(es) (See back of form for description of letters) Other (specify) <input type="checkbox"/> <input type="checkbox"/>	<b>7. TYPE OF APPLICANT:</b> (See back of form for Application Types) <b>C. Municipal - City</b> Other (specify)
	<b>9. NAME OF FEDERAL AGENCY:</b> <b>U.S. Department of Housing and Urban Development</b>

<b>10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER:</b> <b>14.218 Entitlement Grant</b> TITLE (Name of Program): <b>Community Development Block Grant</b>	<b>11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT:</b> <b>Various</b>
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<b>12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.):</b> <b>City of Jackson, Michigan</b>
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<b>13. PROPOSED PROJECT</b> Start Date: <b>July 1, 2014</b> Ending Date: <b>June 30, 2015</b>	<b>14. CONGRESSIONAL DISTRICTS OF:</b> a. Applicant <b>MI-007</b> b. Project <b>MI-007</b>
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<b>15. ESTIMATED FUNDING:</b> <table border="1"> <tr><td>a. Federal</td><td>\$</td><td>1,208,299.00</td></tr> <tr><td>b. Applicant</td><td>\$</td><td>0.00</td></tr> <tr><td>c. State</td><td>\$</td><td>0.00</td></tr> <tr><td>d. Local</td><td>\$</td><td>0.00</td></tr> <tr><td>e. Other</td><td>\$</td><td>0.00</td></tr> <tr><td>f. Program Income</td><td>\$</td><td>125,000.00</td></tr> <tr><td>g. TOTAL</td><td>\$</td><td>1,333,299.00</td></tr> </table>	a. Federal	\$	1,208,299.00	b. Applicant	\$	0.00	c. State	\$	0.00	d. Local	\$	0.00	e. Other	\$	0.00	f. Program Income	\$	125,000.00	g. TOTAL	\$	1,333,299.00	<b>16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?</b> a. Yes <input type="checkbox"/> THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON DATE: b. No <input type="checkbox"/> PROGRAM IS NOT COVERED BY E.O. 12372 <input type="checkbox"/> OR PROGRAM HAS NOT BEEN SELETED BY STATE FOR REVIEW
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g. TOTAL	\$	1,333,299.00																				
	<b>17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?</b> <input type="checkbox"/> Yes If "Yes" attach an explanation. <input checked="" type="checkbox"/> No																					

**18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.**

<b>a. Authorized Representative</b> Prefix First Name <b>Jason</b> Middle Name <b>C.</b>	
Last Name <b>Smith</b> Suffix	
<b>b. Title</b> <b>Mayor</b>	
<b>c. Telephone Number (give area code)</b> <b>517-788-4028</b>	
<b>d. Signature of Authorized Representative</b>	
<b>e. Date Signed</b> <b>May 14, 2014</b>	



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<b>10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER:</b> <b>14.239 HOME</b> TITLE (Name of Program): <b>HOME Investment Partnerships Program</b>	<b>11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT:</b> <b>Various</b>
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<b>12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.):</b> <b>City of Jackson, Michigan</b>
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Start Date: <b>July 1, 2014</b> Ending Date: <b>June 30, 2015</b>	a. Applicant <b>MI-007</b> b. Project <b>MI-007</b>

<b>15. ESTIMATED FUNDING:</b> a. Federal \$ 277,096.00 b. Applicant \$ 0.00 c. State \$ 0.00 d. Local \$ 0.00 e. Other \$ 0.00 f. Program Income \$ 0.00 g. TOTAL \$ 277,096.00	<b>16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?</b> a. Yes <input type="checkbox"/> THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON DATE: b. No <input type="checkbox"/> PROGRAM IS NOT COVERED BY E.O. 12372 <input type="checkbox"/> OR PROGRAM HAS NOT BEEN SELETED BY STATE FOR REVIEW
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# Table of Contents

## 2013-2014 Annual Action Plan

Application for Federal Assistance – SF-424

### General

Executive Summary.....	1
General Demographic Information .....	1

### Grant Administration

Grant Programs .....	6
Program Purpose and Objectives.....	6
Match Requirements .....	6
Income Limits.....	6
Section 8/McKinney-Vento Homeless Assistance .....	7
Managing the Process.....	7
Citizen Participation.....	8
Institutional Structure.....	9
Monitoring.....	10

### Housing

Specific Housing Objectives .....	13
Needs for Public Housing.....	14
Barriers to Affordable Housing.....	18
Lead-Based Paint .....	19
Non-Homeless Special Needs Housing.....	20

### Homeless

Specific Homeless Prevention Elements .....	21
Antipoverty Strategy.....	23

### Program Specific Requirements

Community Development Block Grant .....	26
HOME .....	29
Outreach to Minority and Women Owned Businesses .....	33
HOPWA.....	34
ESG .....	34

### Substantial Amendment

Reprogramming of Funds .....	35
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### Appendices

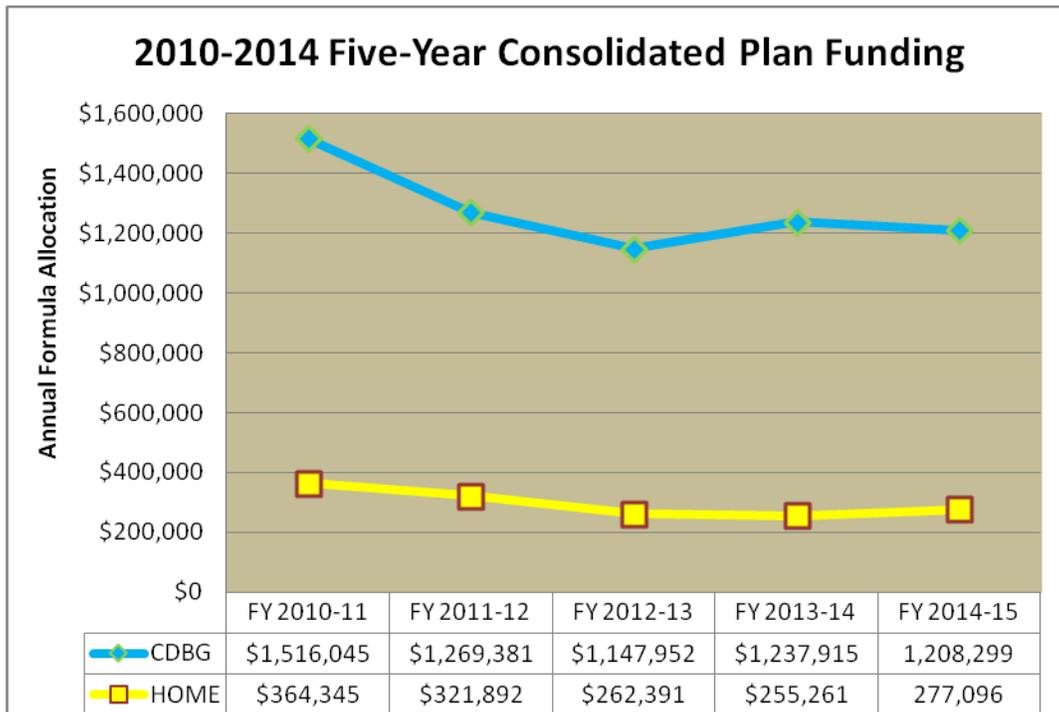
Appendix A	Citizen Comments
Appendix B	City Council Resolution Dated May 13, 2014
Appendix C	Certifications



## Executive Summary

The City of Jackson presents this One-Year Action Plan as the fifth and final year of its 2010-2014 Five-Year Consolidated Plan and covers the period of July 1, 2014 through June 30, 2015, also referred to as Program Year (PY) 2014 or Fiscal Year (FY) 2014. PY 2014 represents the City's 40<sup>th</sup> consecutive year to receive a Community Development Block Grant (CDBG) formula allocation as an entitlement community and 23<sup>rd</sup> year to receive a HOME Investment Partnerships Program (HOME) formula allocation as a participating jurisdiction.

Since the beginning of the 2010-2014 Five Year Consolidated Plan, the City has received lower grant amounts to invest in the community:

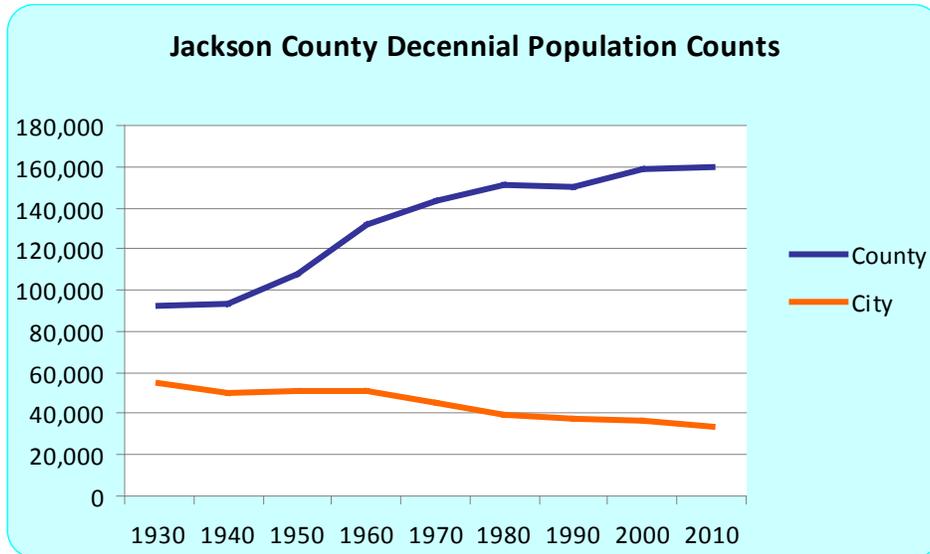


As demonstrated above, CDBG funds declined more than 20% and HOME funds dropped nearly 24% in five funding cycles, significantly diminishing the City's ability to improve neighborhood housing and living conditions. For FY 2014-2015, the City is receiving 2.4% less in CDBG funds than it did in FY 2013-14, but 8.6% more in HOME funds.

### General Demographic Information

Jackson County is strategically located in south-central Michigan at the crossroads of two major highways, Interstate 94 and US-127, and also by state highways M-50, M-60 and M-106. Lansing, the capital of Michigan, is located less than an hour's drive north, Detroit approximately 70 miles to the east, and Chicago approximately 200 miles to the west. A historical review of Jackson County's population concentrations and trends confirm the migration of people from the urban core of the City into the surrounding suburban and rural townships, especially since the 1960 Census. In 1930, 60% of Jackson County's population lived within the 11 square mile confines of the City of Jackson; 80 years later, only 21% of the total

county population lives in the City. During the past 50 years, Jackson County's population grew by 17.6% while the City lost 33.9% of its residents.



Although the most recent 3-year American Community Survey (2010-2012) estimates the City lost an additional 85 residents since the 2010 Census, the 2008-2012 5-year American Community Survey (ACS) estimates an increase in population by 127 individuals. Needless to say, both ACS estimates indicate a minimal change in population.

As illustrated in the table below, Jackson's population has also grown more diverse over 20 years. While the racial makeup of the City remains mostly White and Black or African American residents, the number of White residents has decreased while the number of Black or African American inhabitants has increased, as has the number of persons claiming heritage from two or more races or with a Hispanic or Latino background.

Race	1990 Census	2000 Census	2010 Census	2010-12 ACS
White	80.2%	73.9%	71.4%	71.0%
Black or African American	17.7%	19.7%	20.4%	22.9%
Two or More Races	n/a	3.7%	5.5%	4.1%
<b>Ethnicity</b>				
Hispanic/Latino	2.5%	4.0%	5.3%	5.6%

Employment opportunities remain a big concern for Jackson residents. While the annual jobless rate in the City has shown improvement since 2009, it increased by 0.6 percentage points between 2012 and 2013 and continues to be significantly higher than Jackson County, the state of Michigan, and the United States.

	Annual Jobless Rates					
	2008	2009	2010	2011	2012	2013
<b>United States</b>	5.8%	9.3%	9.6%	8.9%	8.1%	7.4%
<b>State of Michigan</b>	8.3%	13.3%	12.5%	10.4%	8.9%	8.7%
<b>Jackson County</b>	8.4%	13.1%	12.6%	9.9%	8.2%	8.6%
<b>City of Jackson</b>	12.1%	18.6%	17.9%	14.3%	11.8%	12.4%

Economic recovery cannot necessarily be assumed because unemployment percentages have fallen across the board for two consecutive years. The Bureau of Labor Statistics (BLS) defines unemployment as people who “do not have a job, have actively looked for work in the prior four weeks, and are currently available for work.” Most people leave the labor force when they retire, go to school, have a disability that keeps them from working, or have family responsibilities. Others may feel they can’t get work so stop looking and are then classified as discouraged workers and the BLS removes them from both the unemployment statistics and labor force. Another hidden unemployment figure are those who consider themselves underemployed – those working fewer hours than they would like or are in a job that fails to make optimal use of their capabilities.

Correlative to the joblessness plaguing Jackson’s workforce is the increasing number of persons living below the poverty level. The table below compares the 2007-2009 American Community Survey (ACS) against the 2010-2012 ACS Poverty Status in the Past 12 Months (S1701):

	2009 ACS Estimate	2012 ACS Estimate
Population for whom poverty status is determined.....	27.0%	38.3%
<b>AGE</b>		
Under 18 years.....	37.2%	55.1%
Related children under 18 years.....	36.5%	54.3%
18 – 64 years.....	25.1%	34.5%
65 years and over.....	12.4%	11.5%
<b>SEX</b>		
Male.....	26.4%	34.8%
Female.....	27.5%	41.2%
<b>RACE</b>		
White.....	22.4%	31.6%
Black or African American.....	39.9%	57.3%
Two or more races.....	46.5%	49.6%
<b>EDUCATIONAL ATTAINMENT</b>		
Less than high school graduate.....	46.5%	42.9%
High school graduate (includes GED).....	22.4%	31.0%
Some college, associate’s degree.....	14.8%	26.9%
Bachelor’s degree or higher.....	3.3%	9.5%

In the time span between the 2000 Census and the 2010 Census, the City had 1.4% more total housing units reported, but occupied housing units fell by 6.5% while the number of vacant or abandoned units more than doubled. This disturbing trend was also reflected in the 2008-2012 ACS, which indicates 2,509 (or 16.1%) of the City’s housing units are vacant.

	2000 Census		2010 Census		2008-12 ACS	
	Number	Percent	Number	Percent	Number	Percent
<b>Total Housing Units</b>	15,241	100.0%	15,457	100.0%	15,561	100%
<b>Occupied Hsing Units</b>	14,210	93.2%	13,294	86.0%	13,052	83.9%
<b>Owner Occupied</b>	8,181	57.6%	7,004	52.7%	7,188	55.1%
<b>Renter Occupied</b>	6,029	42.4%	6,290	47.3%	5,864	44.9%
<b>Vacant Housing Units</b>	1,031	6.8%	2,163	14.0%	2,509	16.1%

Although population within the City has been on a steady, rapid decline during the last 40 or more years, it is bewildering that the same cannot be said for the number of housing units, which remains relatively the same. The oversupply of housing within the City is a contributing cause of decreased property values as foreclosed or dilapidated homes are often purchased at a low cost by negligent investors, including persons or entities that do not live in Jackson, the State of Michigan, or even in the United States. Without adequate property management, further decay of housing and neighborhoods is the inevitable outcome.

It is also likely the percentage of owner-occupied and renter-occupied properties are not in the proportion shown above. In March 2012, the City instituted a Non-Owner Occupied Residential Property Registry which, as of March 10, 2014, has 5,739 registered housing units. Staff in the Department of Neighborhood & Economic Operations is aware of several hundred housing units that should be registered but are not, and has begun aggressive enforcement of the ordinance. It is believed the split between owner-occupied and renter-occupied is no less than 50%, with the likelihood non-owner occupied units within the City actually exceed 50% of the occupied housing units.

As of January 31, 2014, Neighborhood & Economic Operations staff has identified and evaluated 962 vacant residential structures containing 1,285 housing units. The average rehabilitation estimate for these vacant structures is \$71,499, although some areas of the City exhibit an average rehabilitation estimate of over \$120,000 per structure. The rehabilitation estimate to repair all 962 structures evaluated to date exceeds \$68.7 million, some being in such poor condition as to be deemed beyond repair. Estimated demolition costs to raze the same 962 evaluated structures ranges between \$11.6 and \$14.7 million.

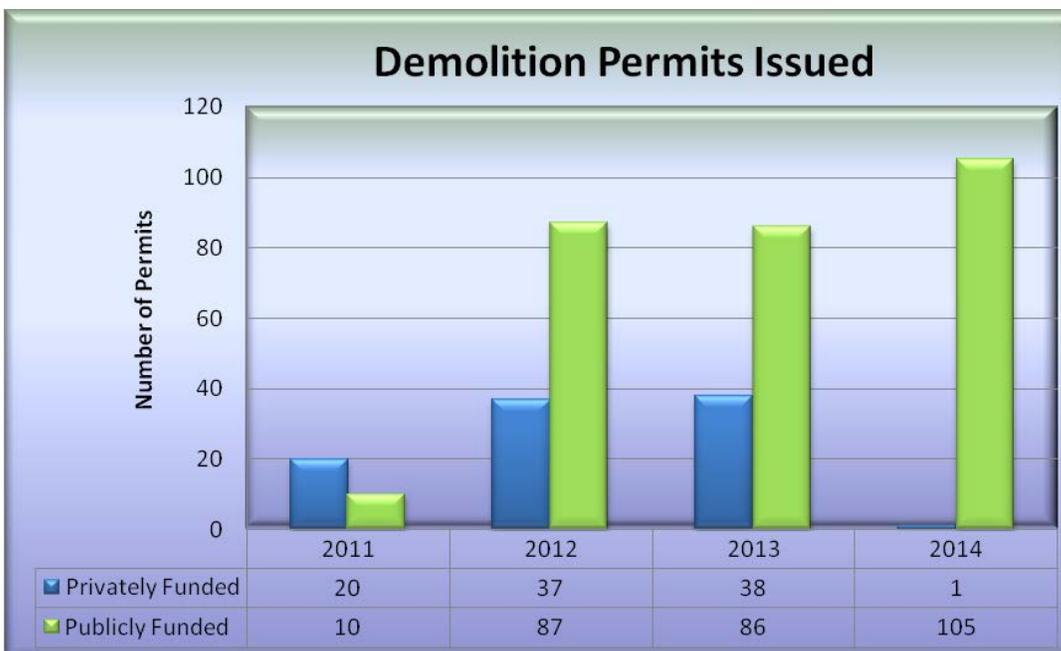
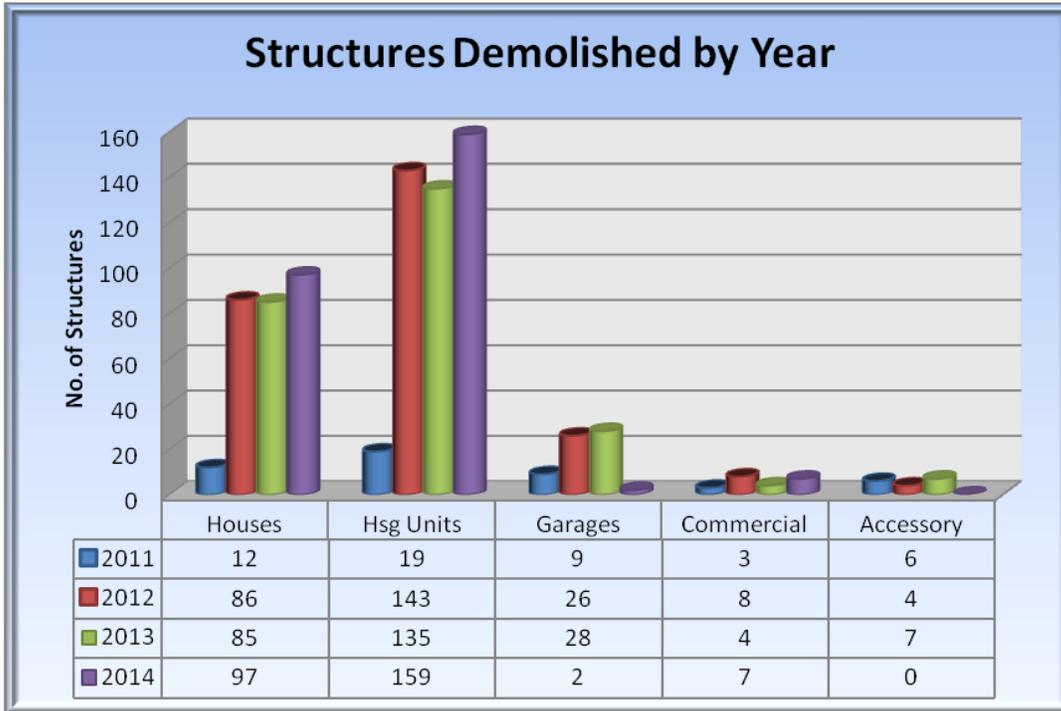
In an effort to combat the oversupply of housing in deplorable condition, the City adopted an assertive demolition program in June 2011 as one facet of the Jackson Overall Economic Stabilization (JOES) program. Funds from various funding streams, including CDBG, have been utilized to battle the severe blighting effects these foreclosed, vacant, and abandoned residential properties have inflicted on neighborhoods with the following positive effects:

- 280 dilapidated residential properties containing 456 substandard units demolished between June 1, 2011 and March 4, 2014;
- Average cost to rehabilitate the remaining vacant structures evaluated reduced nearly \$20,000 per structure (27.6%) from \$71,499 to \$51,774;
- The amount of funding needed to demolish the remaining structures was reduced 25.6%.

Jackson Police officers have initiated a survey of property owners neighboring demolition sites and have had overwhelmingly positive responses. Although some notorious real estate investors

are unhappy with the actions taken, persons actually living in and around the affected neighborhoods fully support the program and have expressed appreciation to the City for taking positive and swift action to clean up long standing blight and crime issues. Realtors have conveyed they are noticing property values beginning to rise as well.

Demolition information gathered on a calendar year basis beginning June 1, 2011 is demonstrated in the two graphs below:



## Grant Administration

### Grant Programs

The City of Jackson's annual formula allocations received from the U.S. Department of Housing and Urban Development (HUD) for Program Year 2014 are as follows:

<b>Community Development Block Grant</b>		<b>\$1,333,299</b>
2014 Entitlement	\$1,208,299	
Program Income (estimated)	125,000	
<b>HOME Investment Partnerships Program</b>		<b>\$277,096</b>
2014 Entitlement	\$277,096	

### Program Purpose and Objectives

The Community Development Block Grant (CDBG) program is authorized under Title I of the Housing and Community Development Act of 1974, as amended, which has a primary objective of developing viable urban communities. These viable communities are achieved by providing the following, principally for persons of low- and moderate-income:

- ❖ Decent housing;
- ❖ A suitable living environment; and,
- ❖ Expanded economic opportunities.

The HOME program was created by the National Affordable Housing Act of 1990, as amended. The intent of the HOME program is to provide decent affordable housing to lower-income households, expand the capacity of non-profit housing providers, strengthen the ability of state and local governments to provide housing, and leverage private-sector participation.

### Match Requirements

All participating jurisdictions must contribute 25% of every dollar in HOME funds as a means to mobilize community resources in support of affordable housing. The HOME statute provides for a reduction of the matching contribution requirement under three conditions: fiscal distress, severe fiscal distress, and for Presidentially-declared major disasters covered under the Stafford Act. The City of Jackson continues to receive a 100% exemption from HOME match requirements due to fiscal/severe fiscal distress; the CDBG program has no match requirements.

### Income Limits

Both the CDBG and HOME grants require certain thresholds be met to provide assistance to the City's lower income community. Local income limits are published annually by HUD based on estimates of median family income with adjustments based on family size. The following table provides the current income guidelines for Jackson, effective December 18, 2013:

## 2014 Area Median Income (AMI) Limits

% of Median	Limit per Number of Persons in Household							
	1	2	3	4	5	6	7	8
30%	\$11,850	\$13,550	\$15,250	\$16,900	\$18,300	\$19,650	\$21,000	\$22,350
50%	\$19,750	\$22,600	\$25,400	\$28,200	\$30,500	\$32,750	\$35,000	\$37,250
60%	\$23,700	\$27,120	\$30,480	\$33,840	\$36,600	\$39,300	\$42,000	\$44,700
80%	\$31,600	\$36,100	\$40,600	\$45,100	\$48,750	\$52,350	\$55,950	\$59,550
100%	\$39,750	\$45,200	\$50,800	\$56,400	\$61,000	\$65,500	\$70,000	\$74,500

*Effective December 18, 2013*

References to income levels are as follows:

Extremely low-income	Individuals/families earning 30% AMI or less
Very Low-income	Individuals/families earning 31% to 50% AMI
Low-income	Individuals/families earning 51% to 80%

At least 70% of CDBG activities must provide a benefit to low- and moderate-income beneficiaries (80% or less of AMI). A low/mod area is a defined, primarily residential area where at least 51% of the residents are low- and moderate-income persons. HOME requires 100% of funds made available to homeownership activities be invested in dwelling units occupied by households that qualify as low-income families, and not less than 90% of families receiving rental assistance have annual incomes that do not exceed 60% AMI.

### Section 8 / McKinney-Vento Homeless Assistance

The City of Jackson does not receive a direct allocation of either Section 8 or McKinney-Vento Homeless Assistance funds. The Jackson Housing Commission administers Section 8 and other funds available to public housing authorities, such as capital improvement funds. For the period of April 1, 2013 to March 31, 2014, JHC received \$2,752,221 in Housing Assistance Program funding to pay landlords and utility allowances.

The McKinney-Vento Homeless Assistance Act ensures educational rights and protections for children and youth experiencing homelessness. During the 2012 – 2013 school year, 752 students were identified as homeless, of which 81 were unaccompanied youth. The Jackson County Intermediate School District received \$34,127 in McKinney-Vento funds for the 2013-2014 school year, which is distributed among 14 school districts in the county. A large portion of the funds are used for transportation; however, schools also purchase items such as school supplies, food, eyeglasses, and school activity fees incurred as part of a student's regular school program. Students applying to colleges may receive assistance with application fees and related costs. The district liaisons work with shelter directors, providing additional supportive services and goods on a case-by-case basis.

### Managing the Process

The City of Jackson, through its Department of Neighborhood & Economic Operations, acts as lead agency for CDBG and HOME funding and administers the programs covered by the Consolidated Plan and this Action Plan. The Department of Neighborhood & Economic Operations is also charged with carrying out several of the funded activities. Various other City departments will conduct the balance of programs and projects under written agreements.

Plan development steps included:

- ✓ Research and analysis of 2000 and 2010 Census data, 2008-2012 (5 year) and 2010-2012 (3 year) American Community Survey estimated data, and various other reports as noted throughout the Plan;
- ✓ Consultation with community organizations, non-profit service providers, Public Housing Authority, Jackson County Continuum of Care, and other such entities;
- ✓ Analysis of various other planning documents pertinent to the City to target common objectives;
- ✓ Public hearing to receive citizen input on housing and community development needs;
- ✓ Public comment period;
- ✓ City Council approval of the Action Plan.

Consultation with community organizations included, but was not limited to:

### **Housing**

Community Action Agency  
Jackson Affordable Housing  
Jackson Housing Commission  
Michigan Prisoner Re-Entry Initiative  
disAbility Connections  
AWARE, Inc.  
Jackson Interfaith Shelter  
Homeless Veterans Program

### **Social Service Agencies**

The Salvation Army  
LifeWays Community Mental Health  
Training & Treatment Innovations  
South Central Michigan Works!  
Jackson County Intermediate School District  
Segue, Inc.  
Department of Human Services  
Do'Chas II

Input from the organizations listed above was obtained in various ways, from one-on-one discussions or e-mail exchanges with specific providers to roundtable discussions at various community meetings attended by these agencies. The programs and services these agencies provide are integral to offering a full spectrum of assistance to the community in addition to the resources available from the City.

The Jackson City Council conducted a public hearing on January 28, 2014 to seek public input on community development and housing needs before writing this Action Plan. No comments were received during the public hearing.

### **Citizen Participation**

The City encourages all citizens to participate in not only the CDBG/HOME planning process, but in all processes of the local government. At the beginning of each City Council meeting, citizens are allowed time to address the Mayor, City Manager, Councilmembers and department heads on matters that concern them. Council meetings are usually held on the second floor of City Hall, which can accommodate persons with disabilities. Meetings are shown live on a local public access television station, JTV, which also replays the meetings at various other times throughout the week. Unfortunately, a burst water pipe in early January 2014 flooded the first floor of City Hall, causing the City Clerk's and Treasurer's to temporarily move to the second floor. Consequently, City Council meetings between January and March took place in the Jackson County Commission Chambers until the first floor was restored.

Notice of the public hearing to receive citizen comments on housing and community development needs was published on January 19, 2014, in the *Jackson Citizen Patriot* (local daily paper) and on January 15, 2014 in *The Jackson Blazer*, a local bi-weekly publication

spotlighting community and neighborhood events.

Per HUD regulation, a draft Action Plan was released for a 30-day public comment period beginning March 24, 2014. A notice of availability was published in the *Jackson Citizen Patriot* on March 23, 2014 and in *The Jackson Blazer* on March 13, 2014. A printed copy of the Action Plan was made available for review at City Hall in both the Clerk's Office (second floor) and Department of Neighborhood & Economic Operations (third floor), the Jackson District Library Carnegie Branch, Community Action Agency, and the three public housing complexes, Reed Manor, Shahan-Blackstone North, and Chalet Terrace. An electronic version of the Action Plan was also made available on the Department of Neighborhood & Economic Operation's website at <http://www.cityofjackson.org/neighborhood-and-economic-operations/funding-reports>.

### **Institutional Structure**

Development of the Action Plan involved a collaborative effort of the public and private sector, non-profit agencies, community members and other similar entities and organizations.

#### *Public Institutions*

The City of Jackson's Charter establishes the City to be a council-manager municipality, with all powers of the City being vested in the Council. The City Council is made up of seven persons, six of whom serve a particular ward of the City, and the Mayor. The Mayor is an elected official voted in by a majority of City registered voters and serves for two years. Individual councilmembers are elected by a majority of electors in the particular Ward they represent and serve for four years. The Mayor is the chief executive officer of the City without administrative duties, but serves as the official head of the City for ceremonial services, presiding officer of City Council, appoints all members to boards, commissions, authorities and other agencies (subject to City Council confirmation), possesses emergency powers and authority expressly granted by state law, and signs all ordinances, contracts, resolutions, proclamations, and other City documents required by ordinance. The City Manager is appointed by City Council and is the chief administrative officer, having charge of municipal affairs under the direction of City Council.

The Department of Neighborhood & Economic Operations serves many functions for the City, including, but not limited to, administration of HUD grants, blight and housing code enforcement activities, homeowner and emergency hazard rehabilitation, building and trades permitting processes, engineering, planning and zoning, and economic development. Grant administration duties include the financial responsibilities associated with grant activity, such as preparing proper documents for rehabilitation loans, devising contracts and agreements with non-profit organizations and interdepartmental agreements with other City departments, monitoring to ensure compliance with federal regulations, and technical assistance to subrecipients when necessary.

The Jackson Housing Commission (JHC) is the City's Public Housing Authority (PHA), providing housing and other resources to the community's most disadvantaged residents. The JHC manages three separate public housing complexes providing 500 rental units plus 40 scattered site rental homes as well as a 475 voucher Section 8 program.

#### *Non-Profit Entities*

It is unfortunate that Program Year 2014 CDBG and HOME funds will be at all time lows and not

allow for discretionary public service allocations to non-profit organizations. In the past, the Jackson City Council relied on non-profit entities to provide its low- to moderate-income residents an affordable, sustainable living environment by allocating public service dollars to assist programs directed at this population. However, the City will continue to support the various missions of the community service providers whenever possible. Community Action Agency (CAA) is the recognized leader in the community in its ability to provide a full array of programs and services to low- and moderate-income residents. The City will continue to develop its relationship with CAA to support services related to homeownership and other basic needs in the community, especially activities benefitting residents in the most distressed neighborhoods. CAA has proven its ability to target spending, leverage additional resources, and produce desired results and was selected to conduct Community Housing Development Organization (CHDO) activities with the City's HOME funds.

### *Community Participation*

Various City staff members actively participate on many community-based boards and commissions to remain cognizant of the area's needs. Neighborhood & Economic Operations staff, in particular, is involved with:

- ✓ *Jackson County Continuum of Care* – co-chairperson of the Continuum. The Continuum of Care is made up of approximately 30 agencies and support groups focused on issues surrounding homelessness.
- ✓ *Jackson Housing Commission Board of Commissioners* – President of the Board of Commissioners appointed by the City's Mayor to create policies, set goals, fulfill financial and fiduciary responsibilities and monitor the performance of the Housing Commission.
- ✓ *Jackson Area Comprehensive Transportation Study* – forum for transportation decision-making and coordinated approach to transportation improvements, including mass transit to low- and moderate-income individuals and families.

Coordination and collaboration between housing providers, social service agencies, and local government is expected to continue in the coming year.

### **Monitoring**

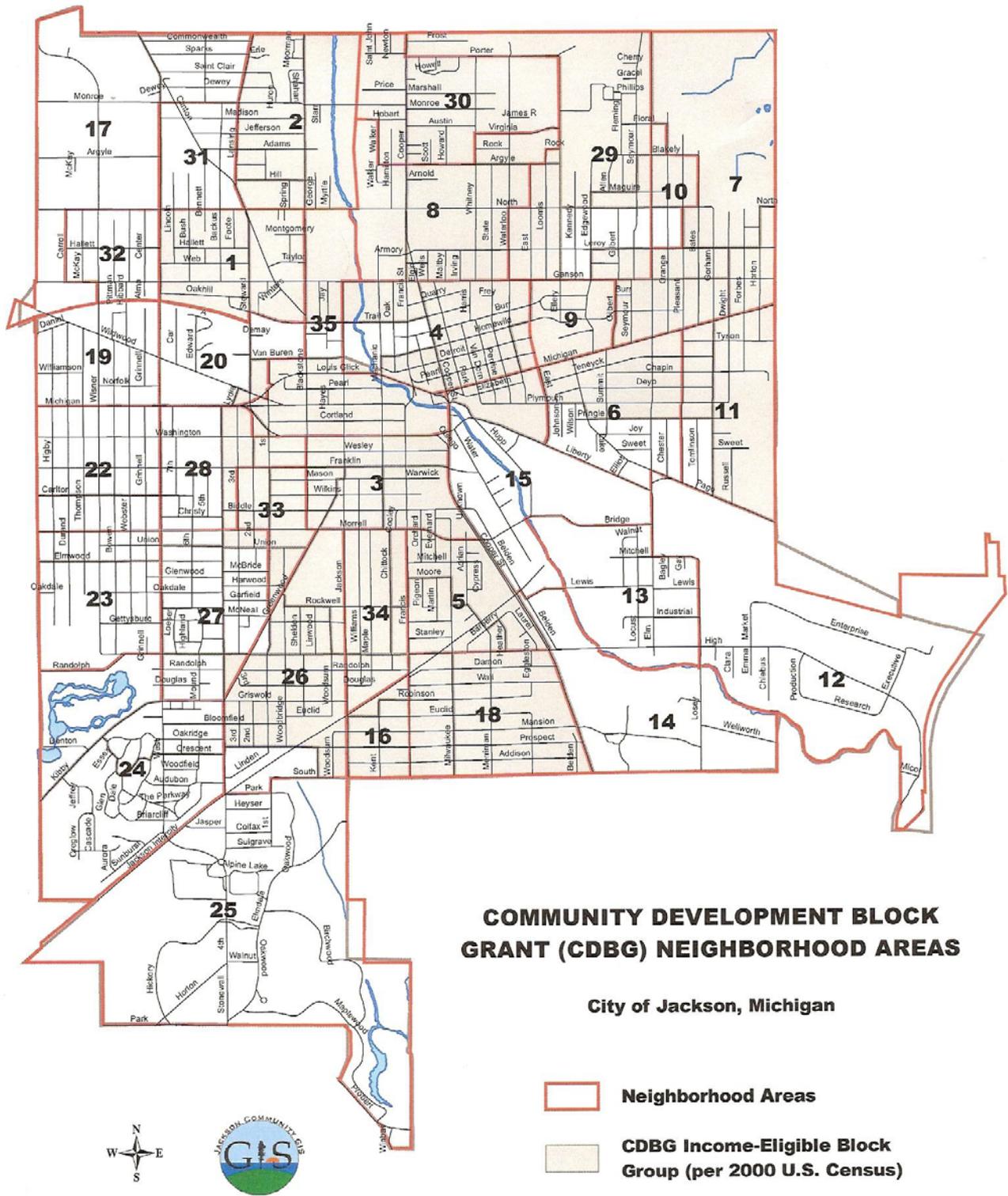
The Department of Neighborhood & Economic Operations monitors the City's performance in meeting goals and objectives set forth in the Five-Year Consolidated Plan. Results are reported in the Consolidated Annual Performance and Evaluation Report (CAPER), which is submitted by September 30 of each year.

Internal fiscal controls are in place and generate accounting system reports that are regularly reviewed by Neighborhood & Economic Operations staff. These reports identify the dollar amount allocated, the amount obligated and the amount expended. Timeliness of expenditures is monitored regularly to ensure compliance with HUD regulations. Reimbursement requests received from subrecipients are reviewed for eligibility and adequate source documentation. Staff reviews the Grantee Summary Activity Report (PR08) monthly as another measure to meet timeliness issues.

During review of applications for grant funds, a risk analysis is conducted of the potential recipient of grant funds and the proposed project. Based on that risk analysis, strengths and weaknesses are assessed in order to develop support mechanisms to enhance program delivery, the nature and eligibility of the activity, whether the proposed plan for carrying out the activity is realistic, and also for the possibility of any conflicts of interest.

During a program year, Neighborhood & Economic Operations staff conducts quarterly desk reviews of performance reports required to be filed by subrecipients of CDBG funds. From those desk reviews, staff is able to determine if a project is on track or when it is expected to begin. Individual agencies may receive one-on-one technical assistance meetings to help explain different aspects of the program and to aid the agency in accomplishing its goals. Each request for reimbursement is required to supply supporting documentation, which is carefully reviewed by more than one staff person before payments are made.

Staff also endeavors to conduct annual on-site monitoring of subrecipients receiving grant funds to verify back up documentation to their quarterly reports. However, subrecipients are generally no longer used as discretionary funds have been lost.



**COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) NEIGHBORHOOD AREAS**

**City of Jackson, Michigan**

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

# Housing

## Specific Housing Objectives

City leaders have re-examined how CDBG and HOME funds have been utilized and their effectiveness in creating vital, stable neighborhoods. Little cohesive effect was recognized from past practice and, with dwindling grant allocations received from HUD, it is more important than ever that the money invested in the community provides a significant impact. Considering the average cost to rehabilitate the vacant residential properties evaluated by City inspectors to date, it is easily concluded the City and its CHDO, Community Action Agency (CAA), must re-evaluate their selection processes for homebuyer rehabilitation. Some neighborhoods have deteriorated so extensively, investing any amount of federal funds towards rehabilitation would be considered wasteful. Currently, the City offers the following rehabilitation loans:

*Emergency Hazard (CDBG only)* – low- to moderate-income homeowners may apply for 20 year deferred loans up to \$10,000 at zero percent (0%) interest to expeditiously correct hazardous conditions, such as a leaking roof during the rainy season, a furnace in the winter, a water heater, sewer backups, etc. The City anticipates issuing 20 emergency hazard loans to alleviate dangerous conditions during Program Year (PY) 2014.

*Homeowner Rehabilitation (CDBG/HOME)* – the City offers \$20,000 loans to correct housing code violations to low- and moderate-income homeowners at zero percent (0%) interest and deferred for 20 years. Loans to correct lead-based paint issues have no maximum and are forgivable over a five (5) year period. Approximately 10 rehabilitation loans are expected to be issued to qualifying homeowners during PY 2014.

*Homebuyer Rehabilitation (HOME)* – the tactical acquisition and rehabilitation of vacant homes to be sold to low- to medium-income homebuyers is utilized by CAA as the City's CHDO. Strategic considerations, such as level of rehabilitation required, neighborhood stability, and marketability of the unit once rehabilitation is completed, are documented before a project is committed. With this method, low- to moderate-income families will not be confined to distressed neighborhoods, but will have options to live in cleaner, safer areas of the City in which to grow a family. CAA foresees completion of one (1) single-family homebuyer unit in PY 2014.

Although no homebuyer assistance project has been specifically identified, it is the intention of the City to consider offering assistance on a case-by-case basis, especially as a component of homebuyer rehabilitation to aid a low- to moderate-income family secure financing.

**Annual Affordable Housing Completion Goals**  
(HUD Table 3B)

Grantee Name: City of Jackson Program Year: 2014-2015	Expected Number of Units To Be Completed	Resources used during the period			
		CDBG	HOME	ESG	HOPWA
<b>BENEFICIARY GOALS (Sec. 215 Only)</b>					
Homeless households	0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Non-homeless households	0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Special needs households	0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Total Sec. 215 Beneficiaries*</b>	<b>0</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>RENTAL GOALS (Sec. 215 Only)</b>					
Acquisition of existing units	0	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Production of new units	0	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Rehabilitation of existing units	0	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rental Assistance	0	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
<b>Total Sec. 215 Affordable Rental</b>	<b>0</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>HOME OWNER GOALS (Sec. 215 Only)</b>					
Acquisition of existing units	0	<input type="checkbox"/>	<input type="checkbox"/>		
Production of new units	0	<input type="checkbox"/>	<input type="checkbox"/>		
Rehabilitation of existing units	31	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Homebuyer Assistance	0	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
<b>Total Sec. 215 Affordable Owner</b>	<b>31</b>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>COMBINED RENTAL AND OWNER GOALS (Sec. 215 Only)</b>					
Acquisition of existing units	0	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Production of new units	0	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Rehabilitation of existing units	31	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rental Assistance	0	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Homebuyer Assistance	0	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
<b>Combined Total Sec. 215 Goals*</b>	<b>31</b>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>OVERALL HOUSING GOALS (Sec. 215 + Other Affordable Housing)</b>					
Annual Rental Housing Goal	0	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Annual Owner Housing Goal	31	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Total Overall Housing Goal</b>	<b>31</b>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Needs for Public Housing**

The Jackson Housing Commission (JHC) is the City's Public Housing Authority (PHA). The JHC manages 540 units of public housing in three Asset Management Projects and a Section 8 program of 475 vouchers. The mission of the JHC is:

To assist low income families secure safe, decent and affordable housing; create opportunities for resident and participant families to achieve self sufficiency and

economic independence; and assure fiscal and program integrity by all program participants.

To achieve the ideals contained in the mission statement, the JHC set goals and objectives of providing decent, safe and affordable housing; ensuring equal opportunity in housing for everyone; responding to resident requests for maintenance issues in a timely fashion; returning vacated units to occupancy within 15 days; continuing enforcement of its "One Strike" policy for residents and applicants; and improving and/or maintaining financial stability through aggressive rent collections and improved reserve position. The JHC's financial resources include an operating fund, capital fund, dwelling rental income, and Section 8 administrative fees.

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.
- Implemented local preferences to improve the living environment by de-concentration, promoting income mixing, and improving security throughout the developments.

The JHC operates three public housing complexes comprised of 500 housing units and manages 40 scattered site, single family rental units as part of its Asset Management Plan.

**Chalet Terrace - Complex**

Building Type	Population	Efficiency	Bedroom Size				Total
			1-BR	2-BR	3-BR	4-BR	
Townhouse	Elderly	8	24	0	0	0	32
Townhouse	Family	0	0	20	34	14	68
							<b>100</b>

**Chalet Terrace – Scattered Site Housing (all 3 bedroom)**

903 Chittock Ave	1411 Merriman St	329 E Robinson St
905 Chittock Ave	1415 Merriman St	122 Stanley Ave
1014 Chittock Ave	1513 Merriman St	139 Stanley Ave
1022 Chittock Ave	1713 S Milwaukee St	216 Summit Ave
117 E Mansion St	1419 Plymouth St	217 Summit Ave
929 Maple Ave	1213 Plymouth St	514 Summit Ave
938 Maple Ave	1421 Plymouth St	2000 Sweet Ave
940 Maple Ave	2017 Pringle Ave	313 Wall St
1101 Maple Ave	129 Ridgeway St	

### Reed Manor - Complex

Building Type	Population	Efficiency	Bedroom Size				Total
			1-BR	2-BR	3-BR	4-BR	
Low Rise Apt	Elderly	197	83	12	0	0	292
							<b>292</b>

In 2012, the caretaker's unit was demolished at Reed Manor to accommodate office renovations, and four (4) SRO units were converted to two (2) one-bedroom units, reducing the original 295 units to 292. The number of units available at Reed Manor was reduced to 291 for much of 2013 due to one unit being a HUD-approved casualty loss due to the discovery of a resident-run methamphetamine laboratory in the unit. That apartment has since been remediated and is back in use.

### Shahan-Blackstone North - Complex

Building Type	Population	Efficiency	Bedroom Size				Total
			1-BR	2-BR	3-BR	4-BR	
Townhouse	Family	0	0	74	30	4	108
							<b>108</b>

### Shahan-Blackstone North – Scattered Site Housing (all 3 bedroom)

329 Adams St	310 Madison St	341 W Monroe St
914 N Blackstone St	312 Madison St	343 W Monroe St
916 N Blackstone St	335 Madison St	909 Spring St
414 Jefferson St	421 Madison St	911 Spring St
416 Jefferson St	409 McKinley St	

The JHC administers 475 Housing Choice Vouchers (HCV), commonly referred to as "Section 8", in Jackson County to assist very low-income families, the elderly, and the disabled to afford decent, safe and sanitary housing in the private market. Since housing assistance is provided on behalf of an individual or family, participants are able to secure their own housing, including single-family homes, townhouses and apartments that meet program requirements. Nearly 70% of the housing units receiving HCV assistance are located within the City of Jackson, with the remaining units located in townships throughout Jackson County.

In February 2013, the Detroit Field Office's Director of Public Housing placed the JHC on a zero spending threshold, meaning every contract entered and dollar spent has to be pre-approved by HUD. Although the City and the JHC have taken measures to alleviate the zero spending threshold, it remains in place. During 2013, the former Executive Director resigned in March and the Assistant Director, acting as the Interim Executive Director, was terminated by the Board of Commissioners in June; both of these individuals are currently under investigation by the HUD-OIG. In November 2013, the Board of Commissioners unanimously voted to hire Patricia Tyus to serve as its next Executive Director. Ms. Tyus is working diligently to familiarize herself with the JHC and has taken remarkable steps to improve staffing and performance issues.

## SECTION 8 BY THE NUMBERS

\$2,508,632	Housing Assistance Payments
98%	Lease Up Rate
185	Landlords
463	Voucher Holder Participants
1,232	Individuals

*Source: Jackson Housing Commission Annual Report, Fiscal Year 2013*

### PUBLIC HOUSING BY THE NUMBERS

#### PERFORMANCE INDICATORS

98%	Occupancy Rate
115	New Admissions
150	Youth Participated in Programs
3,562	Non-Emergency Work Orders Completed
1.8	Average # of Days to Complete Non-Emergency Work Orders
485	Emergency Work Orders
95%	Emergency Work Orders Completed within 24 hours
18 Days	Average Vacant Unit Turnaround

#### DEMOGRAPHICS

2.0	Average Family Size
78	Elderly Heads of Household (Age 62+)
454	Non-Elderly Heads of Household (Age <61)
345	Female Heads of Household
187	Male Heads of Household
273	Disabled/Handicapped Heads of Household
247	Non-Minority Heads of Household
285	Minority Heads of Household

#### SOURCES OF INCOME

1	Own a Business
22	Receive Child Support
1	General Assistance
1	Indian Trust/Per Capita
416	Other Nonwage Sources
14	Pension
186	SSI
182	Social Security
138	TANF (Formerly AFDC)
4	Unemployment Benefits
126	Other Wages

#### INCOME LEVELS

453	Extremely Low
68	Very Low
11	Low

#### TIME ON PROGRAM

97	<1 Year
72	<2 Years
71	<3 Years
44	<4 Years
48	<5 Years
200	>5 Years

*Source: Jackson Housing Commission Annual Report, Fiscal Year 2013*

## **Barriers to Affordable Housing**

The 2010 Analysis of Impediments to Fair Housing Choice, which will be updated in the coming year, lists the following barriers identified by the Jackson County Continuum of Care's Housing Committee:

- Lack of resources/developers to create more affordable or low-income housing.
- Urban food deserts, which is the lack of grocery stores in low- and moderate-income areas. Residents oftentimes rely on local convenience stores, which generally charge significantly more for an identical item found cheaper in a large grocery store. This also greatly reduces the availability of fresh produce, meat, and bakery items.
- Lack of local banking establishments in low- and moderate-income areas – residents again often rely on convenience stores to cash checks and are either charged a sizeable fee for the service, or are required to purchase a certain amount of goods from the store before it will cash the check.
- Landlords who monopolize available housing, which people in the housing community often refer to as 'slumlords' or 'shady dealers'. Tenants feel they are in a Catch-22 – if they complain to the landlord, their complaint goes ignored; if they complain to the City, they risk the chance of becoming homeless should conditions exist that pose a health and safety hazard for the tenant; landlords may retaliate for complaints made by initiating eviction.
- Landlord foreclosures – tenants are rarely given adequate advance notice to find alternate housing.
- Lack of housing for the working poor (middle income) – those persons who work every day and barely make ends meet, but do not qualify for assistance from the Department of Health and Services, food stamps, childcare, etc.

The Jackson Interfaith Shelter, the largest homeless shelter in the City, identified the following issues:

- Lack of jobs available for low- and moderate-income persons in which the potential employee may be able to perform, but is lacking the required experience;
- Unable to afford public transportation or no routes established near work place;
- Unable to afford proper insurance, registration and licensing for their own vehicle;
- Unable to afford vehicle maintenance and repairs.

Further, the Human Relations Commission also indicated a lack of fair housing education and enforcement for several consecutive years has created an environment of potential discrimination issues and lack of understanding in the community. 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.

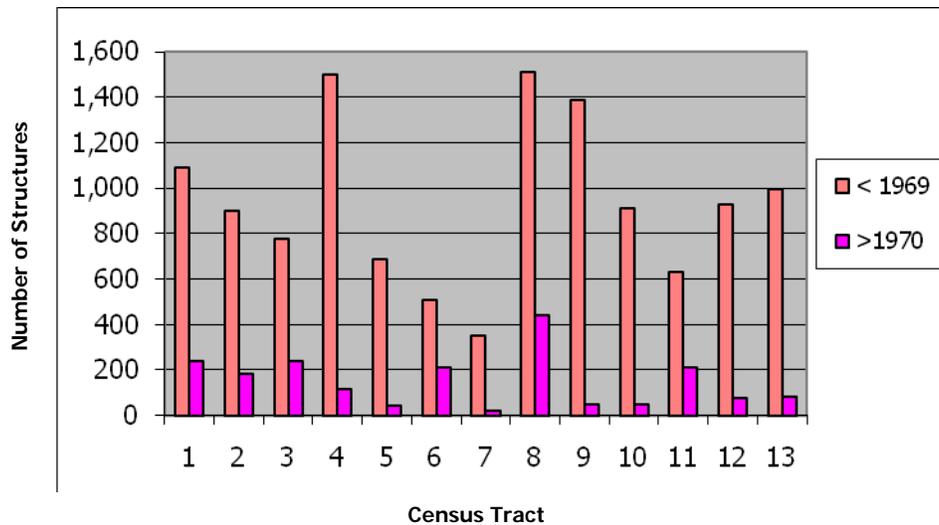
The City of Jackson and its CHDO, CAA, will utilize CDBG and HOME funds in the coming year to improve homeowner or homebuyer housing through its emergency hazard and rehabilitation programs. Supporting these programs will ensure necessary repairs are made to alleviate hazardous conditions in a timely fashion and improve energy efficiency when appropriate. The renter population will continue to benefit from the City's rental inspection program, recently

reinstated with additional inspectors after a brief hiatus to initiate the Non-Owner Occupied Residential Property Registry (NOORPR) which requires property to register housing units they own but do not occupy and undergo regular inspections to receive compliance certification.

Although some misinformed members of the community believe those persons who cannot afford housing and are either homeless or living in substandard units should be allowed to inhabit the vacant and abandoned housing free of charge, no plan has been presented on how or who would maintain and improve the properties, and pay taxes, insurance, utilities, and other such normal living expenses. As demonstrated earlier in this Action Plan, the overall average cost to rehabilitate vacant homes within the City is over \$70,000 per structure, with many far exceeding \$100,000 on an individual basis. Jackson is in the process of re-creating itself through a multi-faceted economic stabilization initiative, which includes improving the available housing stock by demolishing foreclosed, vacant, abandoned, dilapidated residential properties.

### Lead-Based Paint

According to the Michigan Department of Community Health (MDCH), environmental exposure to lead in amounts sufficient to cause illness and neurological damage in children remains a significant worry in Michigan. Jackson County has been identified as one of fourteen counties in Michigan at high risk for childhood lead exposure and poisoning. Lead-based paint hazards are a major concern for the City's young children and pregnant women as over 85% of all housing was constructed prior to 1970, with over 51% being built before 1940. The 2000 Census indicated all Census tracts within the City of Jackson contain aged housing, as demonstrated below:



As Jackson residents continue to struggle with the local economy, property maintenance and repair are not high on the list of priorities. As properties decline, the risk of exposure to lead-based paint hazards increases.

Housing built prior to 1978 (when federal law banned the use of lead-based paint in residential housing) is considered to be at risk of containing some amount of lead-based paint. The amount of lead pigment in the paint increases with the age of the housing. Housing built before 1950 is particularly troublesome as 1950 is often recognized as the "threshold" to lower

levels of lead-based paint. Prior to about 1940, paint typically contained high amounts of lead, often 10 to 50 percent. In the early 1950s, paint industry standards voluntarily called for limiting lead content to 1%. With approximately 66% of the housing stock built prior to 1950, Jackson housing units pose a high risk of containing significant lead-based paint hazards. Young children of very low- and low-income households are most likely to reside in older housing, and are disproportionately at risk of lead poisoning. It is anticipated that units of owner occupied housing will continue to decline and the ratio of rental units will increase due to the stress of the slow and declining economy. Rental properties make up about one-half of the City's housing units. If units are not maintained, the risk of young children coming into contact with lead-paint hazards continues to climb.

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 time, making it more and more difficult to significantly impact the housing in the community. Because of the age of the housing stock, all applicants for rehabilitation assistance living in homes built prior to 1978 must be tested for lead-based paint. The State of Michigan has enacted legislation to address lead-based paint issues in the state. The City of Jackson and its subgrantees will continue to incorporate and comply with the Michigan Lead Abatement Act to address lead-based paint issues in the community. The City of Jackson and its subgrantees will also comply with the Federal Environmental Protection Agency (EPA)'s Renovation, Remodeling and Paint Law that took effect on April 10, 2010. This law will require contractors performing remodeling and renovation activities in residential properties and child occupied facilities built before 1978 to be certified and to follow specific work practices to prevent lead dust contamination.

From 2006-2010, the City successfully implemented a Lead Hazard Control Program to address lead-based paint hazards in low-income homes built before 1978. The program tested 215 units and provided lead hazard remediation for 174 units. The City will continue to work with referrals from the Jackson County Health Department to identify clients with lead-based paint hazards that may be eligible for a full housing rehabilitation project. These clients will be able to address their lead-based paint hazards and probable code violations in the same project. The downside to this is the amount of funding available per client. Lead hazard remediation may be expensive and may impact the amount of housing projects that can be accomplished through the allocated funding. For families with a child identified as having an elevated blood lead level, the City will refer the family to the Michigan Department of Community Health's Lead and Healthy Homes Program. While the City of Jackson is not identified within the MDCH work plan as a subrecipient community, it does fall under their "statewide" clause of being allowed to provide assistance based on a child with an identified elevated blood lead level. This will provide some corrective opportunity for families with a lead-poisoned child, but it will not aid in the prevention of childhood lead poisoning.

### **Non-Homeless Special Needs Housing**

Certain subpopulations that are not necessarily homeless require special housing or supportive services. Those subpopulations include the elderly, frail elderly, persons with disabilities, persons with alcohol or other drug addiction, victims of domestic violence, and public housing residents.

On August 15, 2006, the Jackson City Council took action to waive the permit fees for work performed by local non-profit charitable organizations, specifically for handicap-accessible ramps. Since that time, several ramps have been installed for disabled homeowners by disAbility Connections, the Rotary Club, and World Changers. The Council also routinely waives permit fees for World Changers and/or Mission Serve roofing and handicap ramp projects. The City and its subrecipients make every effort during a rehabilitation project to take into account any special needs of the occupants to increase the likelihood of longer-term occupancy and livability.

While a few affordable apartment complexes exist in the City which are equipped to meet needs of the elderly and disabled, they are located within close proximity to each other, limiting location choices especially for the disabled. Some disabled tenants have had success in working with landlords to retrofit a housing unit for accessibility; however, oftentimes once that tenant moves out, the retrofitting is also removed making the unit inaccessible for another potential tenant with disabilities. The City will continue efforts to strategically install handicap accessible sidewalk curb ramps in areas of greatest need.

Families requiring more than two to three bedrooms also have difficulty locating rental housing options. There are many residential structures throughout the City that may at one time have been an option; however real estate investors depleted this stock through the years by converting these larger homes into multi-unit dwellings, usually with only one to three bedrooms per unit. The City took steps to enhance its zoning enforcement by identifying and documenting vacant and abandoned homes and should a non-conforming structure not been used for a period of six (6) months, it shall be deemed abandoned and the structure then reverts to the uses allowed in that specific zoning district. This is a way in which the City can potentially return larger single-family dwellings to their original intended use, increasing housing options for families of five or more while decreasing neighborhood density.

## Homeless

### Specific Homeless Prevention Elements

Since 1994, HUD has been encouraging communities to address the problems of housing and homelessness in a coordinated, comprehensive and strategic fashion. In response, an ad hoc committee of Jackson community agencies formed to address the needs required to maintain and expand affordable housing in Jackson. From that committee, the Jackson County Continuum of Care (CoC) was formed and continues to provide a service to the homeless community in an attempt to strategically end homelessness. The CoC receives both federal and state funding to support and sustain those objectives. City staff actively participates in the CoC as co-chair, the Executive Committee, and planning activities.

The CoC receives annual allocations of Emergency Solutions Grants (ESG) from the Michigan Housing Development Authority (MSHDA). The CoC allocated \$189,640 in 2013-2014 ESG funding through September 30, 2014 as follows:

- \$11,525 to CAA to serve as Grant Fiduciary
- \$14,701 to CAA for prevention financial assistance
- \$8,841 to CAA for prevention case management
- \$54,910 to CAA for re-housing financial assistance

- \$26,524 to CAA for re-housing case management.
- \$21,440 to Do'Chas II to provide prevention case management to youth aging out of foster care.
- \$4,939 to CAA to administer the Homeless Management Information System (HMIS).
- \$46,760 to AWARE, Inc. for operating expenses related to managing an emergency shelter for survivors of domestic violence and sexual assault and essential services case management.

The CoC also receives HUD Supportive Housing renewal grants annually. In January 2014, the Jackson CoC applied for \$785,776 from HUD in CoC renewal funding for the supportive housing programs listed in the table below, which was a 5% reduction in funding levels received last year.

<b>Project Name</b>	<b>Type of Project</b>	<b>Beds</b>	<b>Applied For</b>
Garfield Square	Transitional Housing	38	\$193,870
Housing Assistance Program (HAP)	Transitional Housing	63	\$274,402
Mechanic Street – Partnership Park	Permanent Supportive Housing	11	\$59,979
TTI Leasing I	Permanent Supportive Housing	47	\$119,234
TTI Leasing II	Permanent Supportive Housing	29	\$124,342
HMIS	HMIS	n/a	\$59,979

Supportive housing programs develop housing and related supportive services for persons moving from homelessness to independent living. Program funds are to be used to assist homeless people live in a stable place, increase their skills or income, and gain more control over the decisions that affect their lives. Supportive Housing Program funding from HUD is utilized by CAA, Aware, Inc. (in partnership with CAA) and Training and Treatment Innovations (TTI). The renewal grant will allow CAA to continue its two transitional housing programs, which help residents pay for rent for up to two years, and for continued support of five housing units for homeless families in the Partnership Park neighborhood. All three programs assist approximately 60 families per year. A portion of CAA's funding also supports required data collection and reporting through HMIS. TTI's grant funding supports its two leasing assistance programs. In addition to renewal funding, the CoC also applied for \$41,357 in grant funding for a new activity to develop a voucher program for the chronically homeless.

On January 23, 2013, the CoC conducted the biennial Point in Time (PIT) count with the following results:

	<b>Sheltered</b>			<b>Unsheltered</b>	<b>Total</b>
	<b>Emergency</b>	<b>Transitional</b>	<b>Safe Haven</b>		
Total No. of Households	54	41	0	33	128
Total No. of Persons	65	89	0	33	187
No. of Children under 18	14	42	0	0	56
No. of Persons 18 – 24	4	8	0	2	14
No. of Persons Over 24	47	39	0	31	117
	Average Household Size				1.5

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

## 2013 Continuum of Care Housing Inventory Chart

<b>Emergency Shelters</b>		<b>Households with Children</b>		<b>Total Beds for Households</b>	
<b>Provider Name</b>	<b>Total Year Round Beds</b>	<b>Total Units</b>	<b>Total Beds</b>	<b>Without Children</b>	<b>With Only Children</b>
AWARE, Inc. (Domestic Violence)	30	6	22	8	0
Jackson Interfaith Shelter	78	1	46	32	0
<b>Total:</b>	<b>105</b>	<b>7</b>	<b>68</b>	<b>40</b>	<b>0</b>

<b>Transitional Housing</b>		<b>Households with Children</b>		<b>Total Beds for Households</b>	
<b>Provider Name</b>	<b>Total Year Round Beds</b>	<b>Total Units</b>	<b>Total Beds</b>	<b>Without Children</b>	<b>With Only Children</b>
AWARE, Inc. (Domestic Violence)	12	6	6	6	0
CAA	39	10	37	2	0
Do'Chas II	1	0	0	0	1
<b>Total:</b>	<b>52</b>	<b>16</b>	<b>43</b>	<b>8</b>	<b>1</b>

<b>Rapid Re-Housing</b>		<b>Households with Children</b>		<b>Total Beds for Households</b>	
<b>Provider Name</b>	<b>Total Year Round Beds</b>	<b>Total Units</b>	<b>Total Beds</b>	<b>Without Children</b>	<b>With Only Children</b>
CAA	27	18	18	9	0
<b>Total:</b>	<b>27</b>	<b>18</b>	<b>18</b>	<b>9</b>	<b>0</b>

<b>Permanent Supportive Housing</b>		<b>Households with Children</b>		<b>Total Beds for Households</b>	
<b>Provider Name</b>	<b>Total Year Round Beds</b>	<b>Total Units</b>	<b>Total Beds</b>	<b>Without Children</b>	<b>With Only Children</b>
CAA	10	5	10	0	0
TTI 1	38	15	38	0	0
TTI 2	15	0	0	15	0
<b>Total:</b>	<b>63</b>	<b>20</b>	<b>48</b>	<b>15</b>	<b>0</b>

### Antipoverty Strategy

The 2010-2012 American Community Survey Table DP03: Selected Economic Characteristics reported 32.9% of all families and 38.3% of all people in the City of Jackson were at or below the federal poverty level. The table also provides the following estimated data regarding poverty of families and people whose income in the past 12 months is below the poverty level, taken from Table S1701: Poverty Status in the Past 12 Months:

<b>Subject</b>	<b>% Below Poverty</b>
All Families .....	32.9%
With Related Children Under 18 Years .....	47.2%
With Related Children Under 5 Years .....	51.5%
Married Couple Families.....	13.7%
With Related Children Under 18 Years .....	21.7%
With Related Children Under 5 Years .....	7.5%
Families With Female Householder, no Husband Present .....	55.6%
With Related Children Under 18 Years .....	68.9%
With Related Children Under 5 Years .....	79.9%
<b>RACE</b>	
White .....	31.6%
Black or African American .....	57.3%
Two or more races .....	49.6%
<b>EDUCATIONAL ATTAINMENT</b>	
Population 25 years and over.....	28.3%
Less than high school graduate .....	42.9%
High school graduate (includes equivalency) .....	31.0%
Some college, associate's degree.....	26.9%
Bachelor's degree or higher.....	9.5%
<b>EMPLOYMENT STATUS</b>	
Civilian labor force 16 years and over .....	27.1%
Employed.....	18.5%
Male .....	12.9%
Female .....	23.5%
Unemployed.....	59.0%
Male .....	57.6%
Female .....	60.9%
<b>WORK EXPERIENCE</b>	
Population 16 years and over.....	31.7%
Worked full-time, year round in the past 12 months .....	7.4%
Worked part-time or part-year in the past 12 months .....	35.6%
Did not work .....	45.2%
Unrelated individuals for whom poverty status is determined .....	42.9%
Male .....	41.0%
Female .....	44.6%
Worked full-time, year round in the past 12 months .....	1.3%
Worked part-time or part-year in the past 12 months .....	56.6%
Did not work .....	59.3%

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, through the use of CDBG and HOME funds, the City offers services and programs to assist its low- and moderate-income residents:

*Emergency Hazard (CDBG only)* – low- to moderate-income homeowners may apply for 20 year deferred loans up to \$10,000 at zero percent (0%) interest to expeditiously correct hazardous conditions, such as a leaking roof during the rainy season, a furnace in the winter, a water heater, sewer backups, etc.

*Homeowner Rehabilitation (CDBG/HOME)* – most homeowner rehabilitation will be accomplished with HOME funds as CDBG funds dwindle and are available for neighborhood projects other than rehabilitation. Currently the City offers \$20,000 loans to correct housing code violations to low- and moderate-income homeowners at zero percent (0%) interest and deferred for 20 years. Loans to correct lead-based paint issues have no maximum and are forgivable over a five (5) year period.

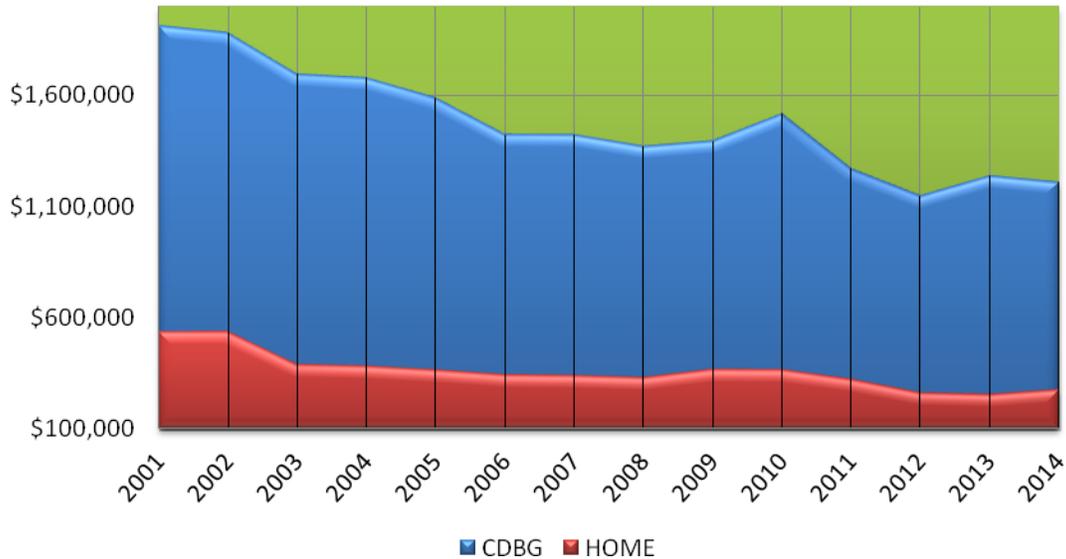
*Homebuyer Rehabilitation (HOME)* – the tactical acquisition and rehabilitation of vacant homes to be sold to low- to medium-income homebuyers is utilized by CAA as the City's CHDO. Strategic considerations, such as level of rehabilitation required, neighborhood stability, and marketability of the unit once rehabilitation is completed, are documented before a project is committed. With this method, low- to moderate-income families will not be confined to distressed neighborhoods, but will have options to live in cleaner, safer areas of the City in which to grow a family. CAA foresees completion of two (2) single-family housing units in PY 2014.

These local efforts, backed by extremely limited funds, are unlikely to have a significant impact in reducing the number of individuals and families living below poverty level. However, with thoughtful consideration of complementary activities to other programs available in the community, a collaborative effort among all service providers may provide more significant, measurable progress to reducing poverty rates in the City.

## **Program Specific Requirements**

Program Year 2014 remains challenging for the City of Jackson with the continuing reduction in both CDBG and HOME formula allocations received from HUD. The City will receive 43% fewer CDBG dollars and over 52% less in HOME funds than it did in 2001. However, reductions in grant allocations have been most severe since 2010 with the City losing over 18% of its CDBG allocation and nearly 30% of its HOME allocation. Grant funding is at the lowest levels the City has seen, which required City leaders to make difficult but necessary cuts to community services.

## Annual CDBG/HOME Formula Allocations



### Community Development Block Grant

HUD has allocated \$1,208,299 in CDBG funds to the City; coupled with \$125,000 in anticipated program income, the 2014-2015 budget is established at \$1,333,299 (estimate). The City's CDBG program anticipates no less than 70% of the grant funding will be used for activities that provide a benefit to low- and moderate-income persons.

Outcome/Objective Legend			
	Availability/ Accessibility	Affordability	Sustainability
Decent Housing	DH-1	DH-2	DH-3
Suitable Living Environment	SL-1	SL-2	SL-3
Economic Opportunity	EO-1	EO-2	EO-3

### Public Service

<b>Project:</b> King Center Summer Youth Program	<b>Target Area</b> CT 10, CT 11	<b>Total Funding</b> \$45,000
<b>Agency:</b> Parks & Recreation Department		<b>Planned Units</b>
<b>Output:</b> Provide youth a broader view of new experiences, cultural experiences and educational components		400
<b>Indicator:</b> Number of persons assisted with improved access to a service		400
<b>HUD Outcome/Objective:</b> (SL-1) Availability for the purposes of Suitable Living Environment (05D Youth Services 570.201(e), LMC, 01 People)		

**Total Allocation to Public Services: \$45,000**

CDBG regulations place a 15% cap on the amount of funding that can be obligated to public service activities. In order to financially support Jackson's Overall Economic Stabilization (JOES)

program to provide the most prompt impact to the City's economic recovery, City Council determined it would only be able to sustain one project under the public services cap. The King Center Summer Youth Program is a City-sponsored youth program proven to be extremely successful and beneficial to approximately 400 low- and moderate-income City youths. Participants are exposed to cultural and educational field trips, summer reading, life skills learning, and free health and hygiene services. In addition, breakfasts and lunches are provided to the participants, and over 30 college and high school students receive work experience, mentoring and job training while assisting with the program.

**Administration and Planning**

<b>Project:</b> Administration and Planning <b>Agency:</b> Department of Neighborhood & Economic Operations	<b>Target Area</b> n/a	<b>Total Funding</b> \$139,000
<b>Output:</b> Administration and planning of the CDBG program <b>Indicator:</b> none required		<b>Planned Units</b> n/a
<b>HUD Outcome/Objective:</b> 21A General Program Administration 570.206		

**Total Allocation to Administration and Planning: \$139,000**

Under CDBG regulations, costs charged to administrative and planning are subject to a statutory 20% cap. Program administration costs include staff and related costs required for overall program management, coordination, monitoring, reporting and evaluation. Planning costs would include, but are not limited to, studies, analysis, data gathering, preparation of plans, and identification of actions that will implement plans.

**Other Projects**

<b>Project:</b> Code Enforcement <b>Agency:</b> Department of Neighborhood & Economic Operations	<b>Target Area</b> Eligible CDBG areas City-wide	<b>Total Funding</b> \$131,500
<b>Output:</b> Improved neighborhoods and properties <b>Indicator:</b> Number of blight ordinance violations cited, housing inspections conducted, or LMI households assisted		<b>Planned Units</b> 4,000 4,000
<b>HUD Outcome/Objective:</b> (SL-3) Sustainability for the purpose of Suitable Living Condition (15 Code Enforcement 570.202(c), LMA, other)		

<b>Project:</b> Neighborhood Economic Stabilization – Demolitions <b>Agency:</b> Department of Neighborhood & Economic Operations	<b>Target Area</b> City-wide	<b>Total Funding</b> \$185,000
<b>Output:</b> Demolish vacant, abandoned, severely blighted, and dilapidated housing <b>Indicator:</b> Number of dilapidated residential structures removed		<b>Planned Units</b> 30 30
<b>HUD Outcome/Objective:</b> (SL-3) Sustainability for the purpose of Suitable Living Environment (4 Clearance and Demolition) 570.201(d), LMA, Other)		

<b>Project:</b> Residential Rehabilitation <b>Agency:</b> Department of Neighborhood & Economic Operations	<b>Target Area</b> City-wide	<b>Total Funding</b> \$407,284
<b>Output:</b> Improved housing conditions <b>Indicator:</b> Number of LMI households assisted		<b>Planned Units</b> 30 30
<b>HUD Outcome/Objective:</b> (DH-3) Sustainability for the purpose of Decent Housing (14A Rehab; Single-Unit Residential 570.202, LMH, 10 Housing Units)		
<b>Project:</b> Street Paving/Reconstruction - Hamilton <b>Agency:</b> City of Jackson Engineering Department	<b>Target Area</b> CT 2, BG 1	<b>Total Funding</b> \$174,483
<b>Output:</b> Improved street surface <b>Indicator:</b> Number of blocks receiving improved street surfaces		<b>Planned Units</b> 3 blocks 3 blocks
<b>HUD Outcome/Objective:</b> (SL-3) Sustainability for the purpose of Suitable Living Environment (03K Street Improvements 570.201(c), LMA, 11 Public Facilities)		
<b>Project:</b> Street Paving/Reconstruction - VanBuren <b>Agency:</b> City of Jackson Engineering Department	<b>Target Area</b> CT 2, BG 2; CT 6, BG 1	<b>Total Funding</b> \$251,032
<b>Output:</b> Improved street surface <b>Indicator:</b> Number of blocks receiving improved street surfaces		<b>Planned Units</b> 3 blocks 3 blocks
<b>HUD Outcome/Objective:</b> (SL-3) Sustainability for the purpose of Suitable Living Environment (03K Street Improvements 570.201(c), LMA, 11 Public Facilities)		

**Total Allocation to Other Projects: \$1,149,299**

The key focus of City leaders continues to be demolition of dilapidated housing to bring supply and demand more into line. While CDBG disbursements for this activity are limited to 30% of the annual grant expenditure, the City has been able to leverage additional private and public funds. During Fiscal Year 2013-2014, the following funds were obligated toward demolition:

Funding Source	Amount	Restrictions
General Fund	\$822,500	None
Community Development Block Grant	155,000	Subject to a 30% cap per year

In addition to CDBG, continuing financial support for this program during 2013-2014 will also include appropriations from the City's General Fund and Water/Sewer funds. City staff seeks and applies for appropriate funding to also support the demolition program when such funds are made available. As financial support for this demolition endeavor has grown, the impact on the community is beginning to be realized.

Structure Type	Calendar Year			
	2011	2012	2013	2014*
Residential Structures	12	86	85	97
Housing Units	19	143	135	159
Commercial Structures	3	8	4	7
Garages only	9	28	26	2
Accessory**	6	4	7	0
<b>Funding Source</b>				
Public	10	87	86	105
Private	20	37	38	1

\*January 1, 2014 – March 4, 2014

\*\*Accessory may mean sheds, porches, decks, walls, etc.

Allocations to the City's Engineering Department will allow for two street reconstruction projects:

**Hamilton Street – Argyle Street to north end**

This stretch of local road was originally built in 1959 and was last resurfaced 35 years ago in 1979. This street is located in a primarily residential low- to moderate-income neighborhood with limited access. During street reconstruction, the City will also replace the existing watermain, which is 4 inch cast iron built prior to 1919. The City's water and sewer funds, and street assessments, will also be used in conjunction with CDBG to provide sufficient funding for the project.

**VanBuren Street – Steward Avenue to North Blackstone Street**

VanBuren Street was originally constructed over 40 years ago and is an east-west connector to north-south roads. Situated between Reed Manor on the south, a 292-unit public housing complex, and Abbey Villa Apartments (229 units) and Hope House II (14 HUD-assisted units) on the north, this connector street experiences excessive traffic flow in the most densely populated, low income area of the City. During street reconstruction, the City will also replace the existing watermain, which is 8 inch cast iron built between 1919 and 1926.

In addition to the CDBG formula allocation to be received from HUD, the City anticipates generating program income in FY 2014-15 as follows:

<b>Activity</b>	<b>Program Income</b>
Penalties from non-payment of code enforcement fees	\$ 1,000
Rehabilitation deferred loan repayments	15,000
HOME Administration	25,245
EDI loan repayments	15,750
Code enforcement fees	68,500
Miscellaneous program income	505
<b>Total estimated program income</b>	<b><u>\$125,000</u></b>

Program income is defined as the gross income directly generated from the use of CDBG or HOME funds.

**HOME**

The City of Jackson controls the resale of homebuyer property during the period of affordability using the recapture option as follows:

- 1) Should a homebuyer receiving a direct HOME subsidy in the amount of \$5,000 or less sell the property during the affordability period, repayment of the entire direct HOME subsidy will be triggered.
- 2) Should a homebuyer receiving a direct HOME subsidy in excess of \$5,000 sell the property during the affordability period, repayment of the direct HOME subsidy will be directly tied to the length of time the homebuyer has occupied the home in relation to the period of affordability.

If there are no net proceeds from the sale or the net proceeds are insufficient to repay the HOME subsidy due, the City will recapture the amount of the net proceeds, if any. Recaptured funds will be used for any HOME-eligible activity. The homeowner will receive a return on investment only if there are remaining net proceeds from the sale after payment of all outstanding mortgages, including the HOME mortgage and closing costs.

Jackson City Council made the following 2014-2015 HOME allocations:

<b>Project:</b> Rehabilitation Assistance Program <b>Agency:</b> Department of Neighborhood & Economic Operations	<b>Target Area</b> City-wide	<b>Total Funding</b> \$207,396
<b>Output:</b> Improved housing conditions		<b>Planned Units</b> 9
<b>Indicator:</b> Number of LMI households assisted		9
<b>HUD Outcome/Objective:</b> (DH-3) Sustainability for the purpose of Decent Housing (14A Rehab; Single-Unit Residential 570.202, LMH, 10 Housing Units)		

<b>Project:</b> Administration <b>Agency:</b> Department of Neighborhood & Economic Operations	<b>Target Area</b> n/a	<b>Total Funding</b> \$27,700
<b>Output:</b> Administration of the HOME program		<b>Planned Units</b> n/a
<b>Indicator:</b> none required		
<b>HUD Outcome/Objective:</b> 21A General Program Administration 570.206		

<b>Project:</b> Acquisition/Rehabilitation/Resale <b>Agency:</b> Community Action Agency (CHDO Reserve)	<b>Target Area</b> City-wide	<b>Total Funding</b> \$42,000
<b>Output:</b> Improved housing conditions		<b>Planned Units</b> 1
<b>Indicator:</b> Number of LMI households assisted		1
<b>HUD Outcome/Objective:</b> (DH-3) Sustainability for the purpose of Decent Housing (14G Acquisition for Rehabilitation 570.202, LMH, 10 Housing Units)		

**Total HOME Allocations: \$277,096**

These allocations were made with the following regulatory program thresholds in mind:

Activity	Threshold	Funding
Administration	No more than 10% of annual allocation	\$27,709
CHDO Set-Aside	No less than 15% of annual allocation	\$41,565

An amount in excess of 15% of the City's annual HOME allocation has been set aside for Community Housing Development Organization (CHDO) activities. Once Community Action Agency (CAA) selects an approved project, a written agreement will be entered committing no less than \$42,000 toward the successful completion, with additional funds as the project may require. With this method, low- to moderate-income families will not be confined to distressed neighborhoods, but will have options to live in cleaner, safer areas of the City in which to grow a family.

On July 24, 2013, HUD published a new HOME Final Rule, which contain many new provisions and changes impacting how participating jurisdiction (PJ) administer HOME activities. The key substantive changes in the regulation are intended to:

- Accelerate the timely production and occupancy of assisted housing;
- Strengthen the performance of PJs and their partners in producing and preserving affordable housing units;
- Provide PJs with greater flexibility in the design and implementation of their programs; and,
- Increase administrative transparency and accountability.

#### *Timely Production and Occupancy of Assisted Housing*

The 2013 Rule revised a number of commitment and completion deadlines and imposed new occupancy deadlines:

- HOME projects must be completed within four (4) years of commitment. Any project that is not completed timely will be terminated and PJs will be required to repay HOME funds drawn. [24 CFR 92.205(e)(2)]
- A homebuyer unit must have a ratified sales contract within nine (9) months of construction completion, or the PJ must either convert it to a HOME rental unit or repay the full HOME investment. [24 CFR 92.254(a)(3)]
- CHDO set-aside funds must be committed to specific projects within 24 months of the PJ receiving its HOME allocation. The PJ can no longer “reserve” CHDO funds for projects that will be identified at a later date [24 CFR 92.2 *Commitment*, §92.300(a)(1)]
- CHDO set-aside funds must be expended within five (5) years of when the PJ receives its formula allocation. [24 CFR 92.500(d)(1)(A) and (C), and §92.500(d)(2)]

The City of Jackson establishes timelines for itself and its CHDO with accelerated completion dates. Projects are monitored periodically with established timelines to ensure compliance. At this time, no project is in jeopardy of failing to meet the completion requirement, nor has a homebuyer unit been completed without being sold timely. Funds set aside for CHDO-eligible activities are not committed until a viable project is identified.

The 2013 Rule also provides regulatory guidance to strengthen PJs’ performance in the production and preservation of HOME-assisted projects. These changes relate to underwriting, property standards and construction oversight, CHDO qualifications and capacity, and long-term viability of projects.

#### *Underwriting and Program Design*

- PJs must underwrite all HOME projects to ensure that each project is financially sustainable over its affordability period. The underwriting review evaluates cost reasonableness, market demand, developer capacity and the commitment of other funding sources. [24 CFR 92.250(b)]
- PJs must adopt program policies for homebuyer programs. [24 CFR 92.254(f)]
- Homebuyers must receive housing counseling before receiving HOME assistance (down payment assistance) or purchasing a HOME-assisted unit. [24 CFR 92.254(a)(3)]

Before acquiring a property to rehabilitate, staff in the Department of Neighborhood & Economic Operations conducts a market analysis which documents:

- Cost to acquire the property;
- Demographics of the neighborhood in which the property is located;
- Neighborhood sales history for the 12 months prior, including the number of different manners in which a property changes ownership and the average sales price;
- Up to nine (9) comparable sales;
- Location and amenities, including the availability of public transportation and walkability;
- Rough estimate of the level and cost of rehabilitation required.

The City has always required homebuyers receiving HOME assistance or purchasing a HOME-assisted unit to successfully participate in housing counseling before such assistance or purchase is completed, and will continue to do so. New homeowners are encouraged to receive additional housing counseling or other community services after the assistance or sale to ensure sustainability through the affordability period.

#### *Property Standards and Construction Oversight*

- Property standards are updated to reference current national codes and to require that PJs establish standards that will sustain quality assisted housing for at least the affordability period. [24 CFR 92.251]
- PJs must identify and plan for major systems repairs. For homeownership housing, major systems must have a useful life of at least five (5) years upon project completion. [24 CFR 92.251(b)(ii) and (viii)]
- PJs must develop inspection policies and procedures, including initial inspections of properties to be rehabilitated or acquired to determine the necessary scope of work to bring each property up to applicable standards; and progress and final inspections for all new construction and rehabilitation projects to ensure projects are constructed according to approved plans. [24 CFR 92.251(g)]

Written agreements with developers and CHDOs have historically required rehabilitation specifications to be approved by the City's Rehabilitation Coordinator and/or Rehabilitation Specialist before bidding projects, and that City inspectors make periodic inspections on all new construction and rehabilitation projects, whether as required by a permitted activity or to ensure good workmanship standards are performed during the course of the project. When preparing rehabilitation specifications, the City's rehabilitation staff ensures major systems have a useful life in excess of five (5) years and identifies incipient items, such as roof systems, that may reasonably be expected to deteriorate within 18 months. Before final payment is allowed on a project, all permits must be approved in final form and rehabilitation staff approves the final product.

### *CHDO Qualifications and Capacity Requirements*

- To qualify as a CHDO, a nonprofit must have paid staff whose experience qualifies them to undertake CHDO set-aside activities. Capacity cannot be demonstrated by use of a consultant, except in the first year that a CHDO becomes certified. [24 CFR 92.2 *Community housing development organization*]
- Each time the PJ commits HOME funds, it must re-certify a nonprofit's qualifications to be a CHDO and its capacity to own, sponsor, or develop housing. [24 CFR 92.300(a)]

The City's grant administrator developed an application for CHDOs to complete and document to annually re-certify their capacity and qualifications. That application was updated in accordance with *The Consolidated and Further Continuing Appropriations Act of 2012* (PL 112-55) to include documentation of qualified, paid staff. A CHDO Capacity Checklist was also developed for the City's staff to ensure the CHDO provided all required documents to properly re-certify at least once annually, but prior to commitment of HOME funds.

Considering the average cost to rehabilitate the vacant residential properties evaluated by City inspectors to date, it is easily concluded the City and its CHDO, CAA, must re-evaluate their selection processes for homebuyer rehabilitation. Some neighborhoods have deteriorated so extensively, investing any amount of federal funds towards rehabilitation would be considered wasteful. City and CAA staffs will systematically select modest housing to acquire in transitional neighborhoods to rehabilitate and offer to low- to moderate-income families for purchase. City officials believe that integrating protected classes and low- to moderate-income families into more financially viable areas of the City rather than relegating these families to already significantly depressed neighborhoods will provide improved access and opportunities for the middle class and those aspiring to join the middle class. Controlling the location of rehabilitation projects through acquisition and/or targeted invitation will also further the goals of Jackson's Overall Economic Stabilization program.

Administration fees will be used as program income for the CDBG program and become part of the CDBG budget. The City does not intend to use HOME funds to refinance existing debt secured by multi-family housing, nor provide Tenant-Based Rental Assistance. Proposed projects will not contain five or more HOME-assisted housing units.

### **Outreach to Minority and Women-Owned Businesses**

Unlike large cities that may have many women- and minority-owned businesses to work with, the City of Jackson has limited resources from which to pull from. The City has an approved bidders list of general contractors from which it solicits rehabilitation bids; currently, the approved bidders list has one woman-owned and two minority-owned businesses. Plans are in place to expand the approved bidders list by advertising its existence in surrounding counties and encouraging general contractors to apply. The Department of Neighborhood & Economic Operations hopes this advertising campaign will increase the number of qualified general contractors and attract additional women- and minority-owned businesses to apply to be on the list.

With other construction projects, such as street reconstruction, the City's Purchasing Department advertises in trade journals, the local newspaper, and on the City's website. Purchasing also maintains a database of approximately 200 entities that have registered to receive project notifications via e-mail; each time a new project is added to the website, an e-mail blast is sent out announcing the request for bids. Purchasing also utilizes the State of Michigan's website to send e-mail or postcard notifications to disadvantaged businesses.

Jackson follows the procurement standards outlined in 24 CFR 85.36. All procurement transactions are conducted in a manner providing full and open competition. The sealed bid process is utilized for all construction projects, including rehabilitation, outlined under 85.36(d)(2). The City does not discriminate against a business or bidder with respect to soliciting, evaluating, and awarding bids on the basis of race, sex, sexual orientation, color, ethnicity, or national origin.

### **Housing Opportunities for Persons with AIDS (HOPWA)**

The City of Jackson does not receive HOPWA funding.

### **Emergency Solutions Grant (ESG)**

The City of Jackson does not receive ESG funding; however, ESG funding is provided by the Michigan State Housing Development Authority to the Jackson County Continuum of Care.

## Substantial Amendment

### Reprogramming of Funds

A financial assessment of CDBG funds determined the need to reprogram funds from activities that were:

- Completed, but have balances that cannot be spent;
- Not completed, but the project is no longer in operation; or,
- Unable to get the activity started.

A substantial amendment to reprogram funds from previous year Action Plans is required as follows:

Subrecipient	Original Award	Remaining Balance
<b>Program Year 2011</b>		
Forest: bend to Edgewood	\$ 106,000	\$ 43,506
Homewild: Ellery to Edgewood	119,000	35,474
Special Assessments	25,000	25,000
<b>Program Year 2012</b>		
Excess program income	n/a	80,740
<b>Close Subsidy Account</b> (estimate)	n/a	193,250
<b>Total CDBG</b>	<b>\$131,119</b>	<b>\$377,970</b>

A total of \$377,970 will be reprogrammed to support the following activities:

Project	Amount	Status
VanBuren – Steward to Blackstone	\$ 51,985	New activity
Park Improvements	325,985	Additional funding
<b>Total:</b>	<b>\$377,970</b>	

The City's HOME funds were also assessed and it was determined the following funds should be reprogrammed as well:

Subrecipient	Original Award	Remaining Balance
<b>Program Year 2012</b>		
Excess program income	n/a	\$12,117
Habitat for Humanity	\$ 2,000	845
<b>Program Year 2013</b>		
City – Acquisition/Development/ Resale	177,361	150,000
<b>Total CDBG</b>	<b>\$179,361</b>	<b>\$162,962</b>

The total \$162,962 in HOME funds will be reprogrammed to support the homeowner Rehabilitation Assistance Program activities.



# Appendix A

## Citizen Comments



## **Citizen Comments**

### **January 28, 2014 Public Hearing**

No comments, written or oral, were received at the January 28, 2014 public hearing to receive citizen comments to identify housing and community development needs in the City of Jackson.

### **2014-2015 Annual Action Plan**

No comments, written or oral, were received during the 30-day comment period established to receive public feedback on the City of Jackson's 2014-2015 Annual Action Plan.



# Appendix B

City Council Resolution

Dated May 13, 2014



## RESOLUTION

BY THE CITY COUNCIL:

WHEREAS, the City of Jackson, Michigan has prepared a One-Year Action Plan in order to procure federal funds under the Housing and Community Development Act of 1974, as amended, and the Cranston-Gonzalez National Affordable Housing Act of 1990, as amended; and,

WHEREAS, the City of Jackson, Michigan is required by law to provide certain assurances and certifications to the United States Department of Housing and Urban Development (HUD) as part of said procurement; and,

WHEREAS, the City of Jackson, Michigan has in place and is following a Citizen Participation Plan as required by HUD.

NOW, THEREFORE, BE IT RESOLVED, that the One-Year Action Plan is adopted and approved, the Mayor, as the official representative of the City, is authorized and directed to execute the submission of said Plan for and on behalf of the City of Jackson, Michigan, and the Mayor and the Department of Neighborhood & Economic Operations are authorized to provide such additional information as may be required and to submit said Plan to HUD;

BE IT FURTHER RESOLVED, that the City of Jackson, Michigan hereby assures and certifies that it will comply with the regulations, policies, guidelines, and requirements with respect to the acceptance and use of federal funds for these federally-assisted programs, and the City of Jackson, Michigan gives assurances and certifies that, with respect to the Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME):

- A. It possesses legal authority to make a grant submission and to execute a community development and housing program.
- B. Its governing body has duly adopted or passed as an official act a resolution, motion, or similar action authorizing the person identified as the official representative of the grantee to submit the One-Year Action Plan and amendments thereto, and all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the grantee to act in connection with the submission of the One-Year Action Plan, and to provide such additional information as may be required.
- C. It is following a detailed Citizen Participation Plan which:
  1. Provides for and encourages citizen participation with particular emphasis on participation by persons of low- and moderate-income who are residents of slum and blighted areas and of areas in which funds are proposed to be used, and provides for participation of residents in low- and moderate-income neighborhoods as defined by the local jurisdiction;
  2. Provides citizens with reasonable and timely access to local meetings, information, and records relating to the grantee's proposed use of funds, as required by the regulations of the Secretary, and relating to the actual use of funds under the Act;
  3. Provides for technical assistance to representative groups of persons of low- and moderate-income that request such assistance in developing proposals with the level and type of assistance to be determined by the grantee;

4. Provides for public hearings to obtain citizen views and to respond to proposals and questions at all stages of the community development program, including at least the development of needs, the review of proposed activities, and review of program performance, which hearings shall be held after adequate notice, at times and locations convenient to potential or actual beneficiaries, and with accommodation for the handicapped;
5. Provides for a timely written answer to written complaints and grievances, within 15 working days where practicable; and,
6. Identifies how the needs of non-English speaking residents will be met in the case of public hearings where a significant number of non-English speaking residents can be reasonably expected to participate.

Prior to submission of its Housing and Community Development Plan to HUD, the grantee has:

1. Met the citizen participation requirements of 24 CFR 91.105.
  2. Prepared its One-Year Action Plan in accordance with 24 CFR 91 and made the Plan available to the public.
- D. The grants will be conducted and administered in compliance with:
1. Title VI of the Civil Rights Act of 1964 (Public Law 88-352, 42 USC 2000d *et seq.*); and,
  2. The Fair Housing Act (42 USC 3601-20).
- E. It will affirmatively further fair housing.
- F. It has developed its Plan to give maximum feasible priority to activities which benefit low- and moderate-income families or aid in the prevention or elimination of slums or blight, except that the aggregate use of CDBG funds received under Section 106 of the Act, and, if applicable, under Section 108 of the Act, during the 2014-2015 program year shall principally benefit persons of low- and moderate-income in the manner that ensures not less than 70 percent of such funds are used for activities that benefit such persons during such period.
- G. It has developed a community development plan for the period specified in Paragraph F above that identifies community development and fair housing needs and specifies both short- and long-term community development objectives that have been developed in accordance with the primary objective and requirements of the Act.
- H. It will not attempt to recover any capital costs of public improvements assisted in whole or in part with funds provided under Section 106 of the Housing and Community Development Act of 1974, as amended, or with amounts resulting from a guarantee under Section 108 of the Act by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless:
1. Funds received under Section 106 of the Housing and Community Development Act of 1974, as amended, are used to pay the proportion of such fee or assessment that related to the capital costs of such public improvements that are financed from revenue sources other than under Title 1 of the Act; or,

2. For purposes of assessing any amount against properties owned and occupied by persons of moderate-income, the grantee certifies to the Secretary that it lacks sufficient funds received under Section 106 of the Housing and Community Development Act of 1974, as amended, to comply with the requirements of subparagraph H(1) above.
- I. Its notification, inspection, testing, and abatement procedures concerning lead-based paint will comply with 24 CFR 570.608.
  - J. It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, as required under 24 CFR 570.606(a) and federal implementing regulations, it is following a residential anti-displacement and relocation assistance plan as required under Section 104(d) of the Act and in 24 CFR 570.606(c), and it will comply with the relocation requirements of 24 CFR 570.606(d) governing optional relocation assistance under Section 105(a)(11) of the Act.
  - K. It has adopted and is enforcing:
    1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and,
    2. A policy of enforcing applicable state and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction.
  - L. To the best of its knowledge and belief:
    1. No federal appropriated funds have been paid, or will be paid, by or on behalf of it to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement;
    2. If any funds other than federal appropriated funds have been paid, or will be paid, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee or a member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and,
    3. It will require that the language of Paragraph L of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.
  - M. It will comply with the other provisions of the Act and with other applicable law.
  - N. Before committing to any HOME funds, the City will evaluate HOME Projects that it adopts for this purpose and will not invest any more HOME funds in combination with other Federal assistance than is necessary to provide affordable housing.



# Appendix C

## Certifications





## Non-State Grantee Certifications

City of Jackson  
161 W. Michigan Avenue  
Jackson, MI 49201  
(517) 768-6436  
www.cityofjackson.org

### Non-State Government Certifications

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the City of Jackson certifies that:

**Affirmatively Further Fair Housing.** The City of Jackson will affirmatively further fair housing, which means it will conduct an analysis of impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.

**Anti-displacement and Relocation Plan.** The City of Jackson will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 USC 4601), and implementing regulations at 49 CFR 24; and it has in effect and is following a residential anti-displacement and relocation assistance plan required under section 104(d) of the Housing and Community Development Act of 1974, as amended, in connection with any activity assisted with funding under the CDBG or HOME programs.

**Anti-lobbying.** To the best of the City of Jackson's knowledge and belief:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
3. It will require that the language of paragraph 1 and 2 of this anti-lobbying certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

**Authority of Jurisdiction.** The consolidated plan is authorized under State and local law (as applicable) and the City of Jackson possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations.

**Consistency with Plan.** The housing activities to be undertaken with CDBG and HOME funds are consistent with the strategic plan.

**Section 3.** The City of Jackson will comply with section 3 of the Housing and Urban Development Act of 1968 (12 USC 1701u), and implementing regulations at 24 CFR 135.

**Dated:** May 14, 2014

  
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Jason C. Smith, Mayor, City of Jackson  
161 West Michigan Avenue  
Jackson, MI 49201  
(517) 788-4028

## Specific CDBG Certifications

The City of Jackson certifies that:

**Citizen Participation.** It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.105.

**Community Development Plan.** Its consolidated housing and community development plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that provide decent housing and expand economic opportunities primarily for persons of low and moderate income.

**Following a Plan.** It is following a current consolidated plan that has been approved by HUD.

**Use of funds.** It has complied with the following criteria:

1. *Maximum Feasible Priority.* With respect to activities expected to be assisted with CDBG funds, it certifies that it has developed its Action Plan so as to give maximum feasible priority to activities which benefit low and moderate income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include activities which the grantee certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available;
2. *Overall Benefit.* The aggregate use of CDBG funds, including Section 108 guaranteed loans, during program year(s) **2014** (a period specified by the grantee consisting of one, two, or three specific consecutive program years), shall principally benefit persons of low and moderate income in a manner that ensures at least 70 percent of the amount is expended for activities that benefit such persons during the designated period.
3. *Special Assessments.* It will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guarantee funds, by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if CDBG funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. The City of Jackson will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108, unless CDBG funds are used to pay the proportion of fee or assessment attributable to the capital costs of public improvements financed from other revenue sources. In this case, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. In addition, with respect to properties owned and occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the City of Jackson certifies that it lacks CDBG funds to cover the assessment.

**Excessive Force.** It has adopted and is enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location that is the subject of such non-violent civil rights demonstrations within its jurisdiction.

**Compliance with Anti-discrimination Laws.** The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 USC 2000d), the Fair Housing Act (42 USC 3601-3619), and implementing regulations.

**Lead-Based Paint.** Its activities concerning lead-based paint will comply with the requirements of 24 CFR 35, subparts A, B, J, K, and R of this title.

**Compliance with Laws.** It will comply with applicable laws.

**Dated:** May 14, 2014

  
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## Specific HOME Certifications

The HOME participating jurisdiction (City of Jackson) certifies that:

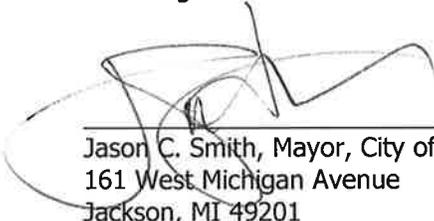
**Tenant-Based Rental Assistance.** If the City of Jackson intends to provide tenant-based rental assistance:

The use of HOME funds for tenant-based rental assistance is an essential element of the participating jurisdiction's consolidated plan for expanding the supply, affordability, and availability of decent, safe, sanitary, and affordable housing.

**Eligible Activities and Costs.** It is using and will use HOME funds for eligible activities and costs, as described in 24 CFR 92.205 through 92.209, and that it is not using and will not use HOME funds for prohibited activities, as described in 24 CFR 92.214.

**Appropriate Financial Assistance.** Before committing any funds to a project, it will evaluate the project in accordance with the guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other Federal assistance than is necessary to provide affordable housing.

**Dated:** May 14, 2014



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Jason C. Smith, Mayor, City of Jackson  
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Jackson, MI 49201  
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## Appendix to Certifications

### Instructions Concerning Lobbying

#### Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, US Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

**Dated:** May 14, 2014



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