

# JACKSON

Founded 1829

Community Development Block Grant  
HOME Investment Partnerships Program

## **2019-2020 Annual Action Plan** **Substantial Amendment 1** (December 2019)

Prepared by:  
Department of Neighborhood & Economic Operations  
161 W Michigan Ave  
Jackson MI 49201  
517-788-4012



**Table of Contents**  
**Substantial Amendment 1**  
**to the**  
**2019-2020 Annual Action Plan**

General Information .....	1
Community Development Block Grant (CDBG) .....	2
HOME Investment Partnerships Program (HOME) .....	5
Citizen Participation .....	8

**Substantial Amendment 1**  
to the  
**2019 – 2020 Annual Action Plan,**  
Year Five of the  
**2015 – 2019 Five Year Consolidated Plan**

On November 12, 2019, the Jackson City Council authorized submission of a Substantial Amendment to the 2019 – 2020 Annual Action Plan, which is the fifth and final year of the 2015 – 2019 Five Year Consolidated Plan. This Substantial Amendment directs the reallocation of funds in excess of 20% of the entitlement amount for both the Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME), addressed separately below.

**General Information**

---

<b>Grantee Name:</b>	City of Jackson, Michigan
<b>Department Administering Funds:</b>	Neighborhood & Economic Operations
<b>Contact:</b>	Michelle L. Pultz-Orthaus, Grant Coordinator 161 W Michigan Ave Jackson, MI 49201 (517) 768-6436 <a href="mailto:mpultz@cityofjackson.org">mpultz@cityofjackson.org</a>
<b>Authorized Official</b>	Derek J. Dobies, Mayor 161 W Michigan Ave Jackson, MI 49201 (517) 788-4028 <a href="mailto:ddobies@cityofjackson.org">ddobies@cityofjackson.org</a>
<b>Website:</b>	<a href="http://www.cityofjackson.org">www.cityofjackson.org</a>
<b>Amount of CDBG Reallocation:</b>	\$612,849.00
<b>Amount of HOME Reallocation:</b>	\$486,821.00

## CDBG

The proposed changes to the 2019 – 2020 Annual Action Plan reallocates CDBG funding from a canceled project and unspent funds from a completed activity. The reallocation will leave no fund balance for the stated activity and permit closure of the projects on HUD’s reporting system.

Fiscal Year	Program Year	Activity	Budgeted Amount	Amount to Reallocate
2015-2016	41	Special Assessments	\$ 25,000.00	\$ 12,849.00
2018-2019	44	Kitchen Incubator	\$450,000.00	\$450,000.00
2019-2020	45	Kitchen Incubator	\$150,000.00	\$150,000.00
<b>Total to Reallocate:</b>				<b><u>\$612,849.00</u></b>

This reallocation allows a budget increase to the Street Lighting project and creates a new Park Improvement activity. Both projects support the 2019 – 2020 Annual Action Plan Goal #3 Public Facilities and Infrastructure Improvements as follows:

<b>Goal Name</b>	Public Facilities and Infrastructure Improvements
<b>Goal Description</b>	<p><del>Build-out of a commercial kitchen incubator will begin during PY2019 in a City-owned building (135 W. Cortland St., Jackson, MI 49201). When completed, the project provides an affordable means for home businesses and start-up restaurants to expand their capabilities within the City of Jackson. The incubator will also incorporate a marketplace to sell goods, a Festival Kitchen, and a cafe with seating. <b>Canceled</b></del></p> <p>Construction costs for two (2) street reconstruction projects:</p> <ul style="list-style-type: none"> <li>• Third St: Washington Ave to Michigan</li> <li>• Washington Ave: First St to Fourth St</li> </ul> <p>Special Assessment Relief for low-income homeowners residing on streets reconstructed with CDBG.</p> <p>Street lighting in CDBG-eligible low income areas. <b>Budget increase.</b></p> <p><b>New Activity:</b> Loomis Park Basketball Courts Improvements.</p>

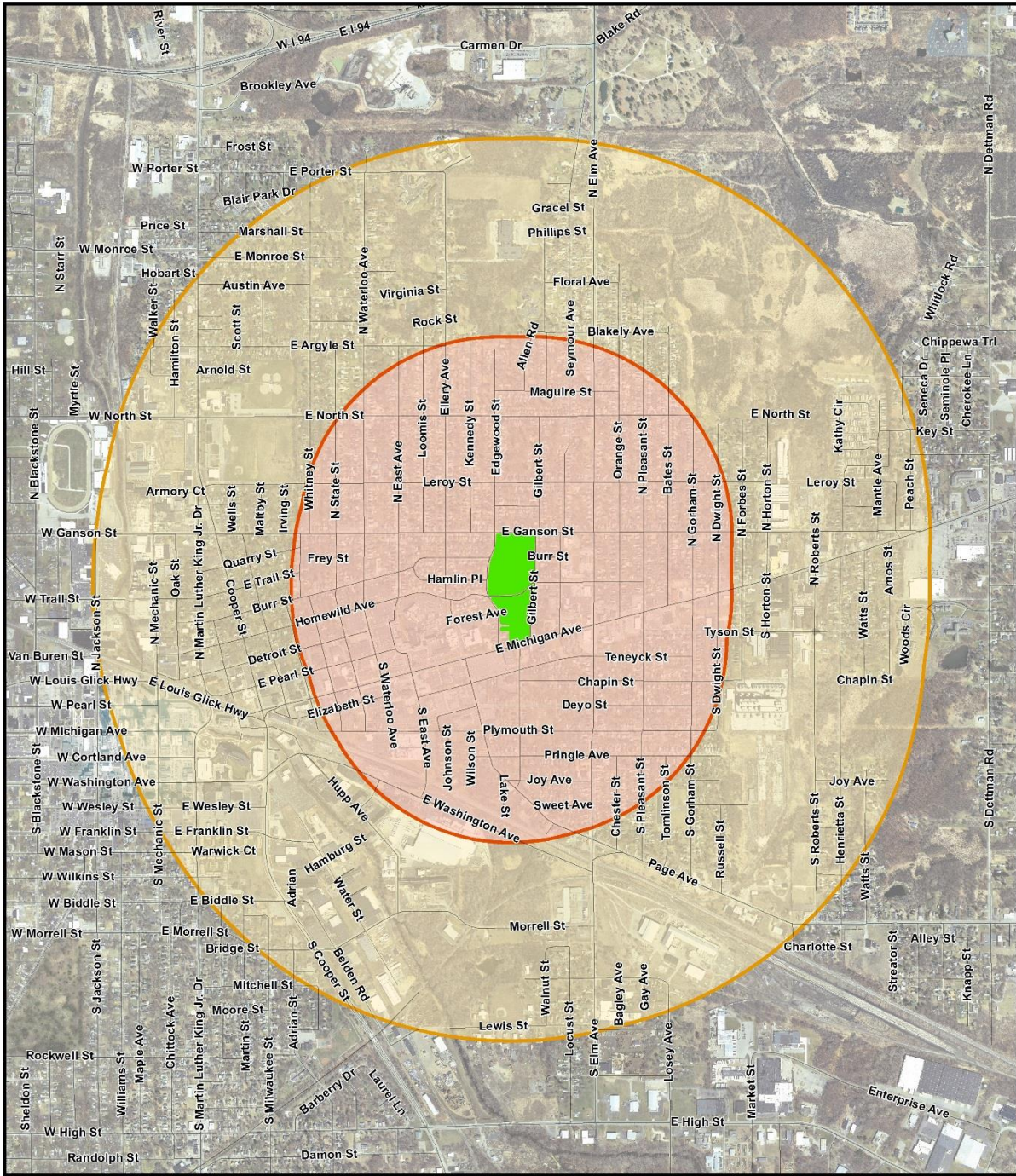
Street lighting project to receive increased funding:

<b>11</b>	<b>Project Name</b>	Street Reconstruction: Lighting in Low-Mod Income Areas
	<b>Target Area</b>	Not applicable
	<b>Goals Supported</b>	Public Facilities and Infrastructure Improvements
	<b>Needs Addressed</b>	Public Facilities and Infrastructure Improvements

<b>Funding</b>	CDBG: \$ 79,924.00 (Original Amount) CDBG: <u>\$300,000.00</u> (Substantial Amendment) <b>\$379,924.00</b> (Amended Budget Total)
<b>Description</b>	Lighting in various CDBG-eligible low- to moderate-income areas throughout City. Included with the Substantial Amendment is a focus on streets in close proximity to the Martin Luther King Community Center.
<b>Target Date</b>	6/30/2020
<b>Estimate the number and type of families that will benefit from the proposed activities</b>	This information is not available until specific locations are determined.
<b>Location Description</b>	Various CDBG-eligible low- to moderate-income neighborhoods within the City of Jackson.
<b>Planned Activities</b>	Improve the accessibility of neighborhoods by installing additional street lighting where needed.

New activity added to the 2019 – 2020 Annual Action Plan

<b>16</b>	<b>Project Name</b>	Loomis Park Basketball Courts Improvements
	<b>Target Area</b>	Not applicable
	<b>Goals Supported</b>	Public Facilities and Infrastructure Improvements
	<b>Needs Addressed</b>	Public Facilities and Infrastructure Improvements
	<b>Funding</b>	CDBG: \$312,849.00
	<b>Description</b>	Tear out and resurface the basketball courts located in Loomis Park, and improve accessibility with a paved trail and lighting.
	<b>Target Date</b>	6/30/2020
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	The population within a one-half mile radius of the park is estimated at 8,100 persons, of which 4,950 are low- to moderate income (61.1%).
	<b>Location Description</b>	Census Tract 4, Block Groups 1 – 5 Census Tract 12, Block Groups 2 & 3 Census Tract 69, Block Groups 1 & 3
<b>Planned Activities</b>	Improve the usability and accessibility of park amenities.	





**JACKSON**  
Founded 1829

**LOOMIS PARK  
HALF MILE AND  
ONE MILE RADIUS**

0 0.15 0.3 0.45 0.6  
Miles



## HOME

The City of Jackson has operated without an approved Community Housing Development Organization (CHDO) after its most recent CHDO declined to accept future funding for projects due to a change in entity focus which led to staff restructuring. Jackson has remained in compliance with the HOME Final Rule by reserving no less than 15% of its annual HOME grant for future eligible projects while it searched for a replacement CHDO. The Greater Jackson Habitat for Humanity (Habitat) met the requirements to serve as the City’s CHDO and was certified by the Grant Coordinator in August 2019.

Habitat is collaborating with both the City and local Community Action Agency to construct a \$2.5 million, 15 unit neighborhood for eligible low-income homebuyers. In addition to the HOME funds committed by the City to date and described below, Community Action Agency received a grant from the Department of Labor’s Youth Build program which will be used in the project. Other funding resources come from corporate and private donations and fundraising efforts.

The proposed changes to the 2019 – 2020 Annual Action Plan reallocates HOME funding from canceled projects, unspent funds from a completed activity, and receipted program income. The reallocation will leave no fund balance for the stated activity and permit closure of the projects on HUD’s reporting system.

<b>Fiscal Year</b>	<b>Program Year</b>	<b>Activity</b>	<b>Budgeted Amount</b>	<b>Amount to Reallocate</b>
2016-2017	42	Acquisition/Rehab/Resale	\$ 54,032.00	\$ 426.00
2016-2017	42	Program Income	0.00	\$ 35,172.00
2017-2018	43	New Construction (PJ)	\$214,784.00	\$214,784.00
2017-2018	43	Program Income	0.00	\$ 36,439.00
2019-2020	45	New Construction (non-CHDO)	\$200,000.00	\$200,000.00
<b>Total to Reallocate:</b>				<b><u>\$486,821.00</u></b>

The selected CHDO activity will no longer involve the acquisition of a home, rehabilitation, and resale to an income qualified person or family, but rather construction of new housing units at the corner of West Franklin and South Mechanic Streets. The initial phase of the project incorporates the construction of three (3) new housing units for eventual sale to income qualified persons or families participating in Habitat’s homeownership program.

<b>7</b>	<b>Goal Name</b>	<del>Acquisition/Rehabilitation/Resale</del> <b>New Construction</b>
	<b>Goal Description</b>	<p>This activity will be utilized by the City’s Community Housing Development Organization (CHDO) for future development to provide low income housing.</p> <p><del>Sub-Recipient: Habitat for Humanity will utilize HOME funding for the construction of low income residential properties.</del></p> <p>The approved CHDO activity involves construction of new housing units which will be sold to income qualified persons or families upon completion.</p>

To support the successful completion of the new construction project, the City will also provide funds to CHDO Operating Expenses. The amount of Operating Expenses available is limited to no more than 5% of the City's annual grant from HUD. The amounts available to allocate towards Operating Expenses are as follows:

- 2017-18 HOME allocation = \$280,784 \* .05 = \$14,039.20 (rounded down to \$14,000)
- 2018-19 HOME allocation = \$374,874 \* .05 = \$18,743.70 (rounded down to \$18,000), less \$10,000 already allocated = \$8,000
- 2019-20 HOME allocation = \$336,299 \* .05 = \$18,314.95 (rounded down to \$18,000)

The total reallocation available to support the CHDO's Operating Expenses is \$50,000.00, leaving \$438,821.00 to reallocate toward the project under CHDO Reserve. This additional funding will provide Habitat \$771,636.00 to initiate the construction.

<b>15</b>	<b>Project Name</b>	CHDO- Reserve
	<b>Target Area</b>	Not applicable
	<b>Goals Supported</b>	<del>Acquisition/Rehabilitation/Resale</del> New Construction
	<b>Needs Addressed</b>	Creation of three (3) affordable homebuyer housing units.
	<b>Funding</b>	<b>HOME:</b> \$ 40,000.00 (2017-2018) \$175,584.00 (2018-2019) <u>\$503,052.00</u> (2019-2020) <b>\$718,636.00</b> (total from various fiscal years)
	<b>Description</b>	Set-aside no less than 15% of the City's 2019-2020 HOME allocation to a CHDO-eligible activity.
	<b>Target Date</b>	<del>6/30/2020</del> 12/31/2020
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	<del>One (1)</del> Three (3) low-to moderate-income families
	<b>Location Description</b>	Corner of West Franklin and South Mechanic Streets, Census Tract 10, Block Group 1
	<b>Planned Activities</b>	<del>Acquire and rehabilitate a home for resale to a low-income family.</del> Construct three (3) new homebuyer housing units for low income families.

17	<b>Project Name</b>	CHDO Operating Expenses
	<b>Target Area</b>	Not applicable
	<b>Goals Supported</b>	Administration/Planning
	<b>Needs Addressed</b>	Staff and related costs required for overall program management, planning, coordination, monitoring, reporting, and evaluation.
	<b>Funding</b>	<b>HOME:</b> \$14,000.00 (2017-2018) \$18,000.00 (2018-2019) <u>\$18,000.00</u> (2019-2020) <b>\$50,000.00</b> (total from various fiscal years)
	<b>Description</b>	Staff and related costs required for overall program management, planning, coordination, monitoring, reporting, and evaluation.
	<b>Target Date</b>	<del>6/30/2020</del> 12/31/2020
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Not applicable
	<b>Location Description</b>	251 W Prospect St, Jackson, MI
	<b>Planned Activities</b>	Not applicable



## Citizen Participation

Notice of the Substantial Amendment and January 14, 2020 public hearing was published in the *Jackson Citizen Patriot* on Wednesday, December 11, 2019 and the *Jackson Blazer* on December 12, 2019. Hard copies of the Substantial Amendment were distributed to the following locations for review:

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

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

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

Reed Manor  
 301 Steward Ave  
 Jackson, MI 49201

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

Chalet Terrace  
 316 Barberrry Dr  
 Jackson, MI 49203

Community Action Agency  
 1214 Greenwood Ave  
 Jackson, MI 49203

An electronic copy of the Substantial Amendment was also available on the City's website at <http://www.cityofjackson.org/332/Grant-Reports>. The public comment period began on December 18, 2019 and ended January 20, 2020. The public was afforded an opportunity to provide comments directly to the Grant Coordinator and/or through the public hearing before the Jackson City Council at its regular meeting on January 14, 2020.

Four (4) citizens spoke during the Public Hearing; all comments were against the new construction project and are summarized below:

Commenter	Alternative Suggestions	Response
J King	Put funds towards a roof repair project instead; does not think Executive Director is qualified.	HOME funds cannot be used for partial rehab; homeowner rehab is not an eligible activity for CHDOs; City has certified Habitat as its CHDO partially based on staff experience.
S Murdie	Give each homeowner \$10,000 so they can rehabilitate their home on their own.	Not an eligible use of HOME funds.
T Trombley	Rehabilitation is better option or put toward keeping homeowners out of tax foreclosure.	Tax foreclosure assistance not an eligible activity in HOME. The City does fund rehabilitation with CDBG and HOME; homeowner rehabilitation is not an eligible CHDO activity.

Commenter	Alternative Suggestions	Response
C Eby	New construction adds to climate change; rehabilitation is better option; use for tax foreclosure assistance to help low-income families retain their home; diversity the 6 <sup>th</sup> Ward.	Tax foreclosure assistance not an eligible activity in HOME. The City does fund rehabilitation with CDBG and HOME; homeowner rehabilitation is not an eligible CHDO activity. Diversification of neighborhoods is a priority for City leaders but no suitable project site is located in Ward 6 at this time.