

Grantee: Muskegon County, MI

Grant: B-11-UN-26-0008

January 1, 2019 thru March 31, 2019 Performance Report

Grant Number: B-11-UN-26-0008	Obligation Date:	Award Date:
Grantee Name: Muskegon County, MI	Contract End Date:	Review by HUD: Reviewed and Approved
Grant Award Amount: \$1,071,900.00	Grant Status: Active	QPR Contact: No QPR Contact Found
LOCCS Authorized Amount: \$1,071,900.00	Estimated PI/RL Funds: \$250,000.00	
Total Budget: \$1,321,900.00		

Disasters:

Declaration Number
NSP

Narratives

Summary of Distribution and Uses of NSP Funds:

NPS 3 funding will be used to acquire and rehabilitate eight (8) homes in both target areas with the primary focus on the Oakview School area. Both areas of concentrations of middle income and low to moderate income persons. The Oakview area experiences high cost (subprime) mortgages at a rate of 46.41% with Muskegon North experiencing 59.09% and both have housing units in foreclosure at 90+ days delinquent at rates of 16.85 and 18.2% respectively.

How Fund Use Addresses Market Conditions:

The fund addresses market conditions by:
The Oakview neighborhood that is on “the brink” and is a lynch pin in the community – stabilizing the Oakview Neighborhood will positively impact adjoining neighborhoods;
The Oakview Neighborhood is of sufficient size that a small NSP project will have an immediate positive impact on the neighborhood. Both the Muskegon North and Muskegon Heights areas were much larger. As a result some of the homes that would be rehabilitated would be spread out throughout the area. The rehabilitation of homes in the Oakview School will show a more immediate impact; and
Data from area realtors for all areas considered indicated that there was greater number of homes being re-sold and purchased in the Oakview area.

Ensuring Continued Affordability:

Homebuyer Purchase Transactions will be subject to the County of Muskegon HUD-NSP Assisted Acquisition and Rehabilitation Homebuyer Assistance Guidelines, as may be amended.
The County of Muskegon will ensure long term affordability through the use of a second mortgage that will be recorded against the property. If an owner who has been assisted through this program transfers title to the property before the affordability period expires, the assistance provided by the County of Muskegon will be subject to recapture. The County of Muskegon will mirror the minimum affordability period of the federal HOME Investment Partnership Program, 24 CFR 92.252(a), (c) (e) and (f), and 92.254. The long-term affordability period is based on the dollar amount of final direct subsidy (i.e., the amount of the NSP assistance that enabled the homebuyer to purchase the dwelling unit) in the project and specific regulations for addressing the issues of the sale of a property prior to the end of the long-term affordability period, known as recapture apply.
The minimum affordability period is listed below:
• Up to \$15,000 = 5 years
• \$15,001 - \$40,000 = 10 Years
• Over \$40,000 = 15 Years

Definition of Blighted Structure:

“Blighted property” is defined under the Blighted Area Rehabilitation Act 344 of 1944, at MCL 125.72 as follows:
(b) “Blighted property” means property that meets any of the following criteria:
(i) The property has been declared a public nuisance in accordance with local housing, building, plumbing, fire, or other code or ordinance.
(ii) The property is an attractive nuisance because of physical condition or use.

- (iii) The property has had the utilities, plumbing, heating, or sewerage disconnected, destroyed, removed or rendered ineffective for a period of one year or more so that the property is unfit for its intended use.
- (iv) The property is a tax-reverted property owned by a municipality, by a county, or by this state. The sale, lease or transfer of tax reverted property by a municipality, a county, or this state shall not result in the loss to the property of eligibility for any project authorized under this act for the rehabilitation of a blighted area, platting authorized under this act, or tax relief or assistance, including financial assistance, authorized under this act or any other act.
- (vi) The property is owned or is under the control of a land bank fast track authority under the Land Bank Fast Track Act, 2003 PA 258, 124.751 to 124.774. The sale, lease, or transfer of the property by a land bank fast track authority shall not result in the loss to the property of eligibility for any project authorized under this Act for the rehabilitation of a blighted area, platting authorized under this Act, or tax relief or assistance, including financial assistance, authorized under this Act or any other Act.
- (vii) The property is improved real property that has remained vacant for five consecutive years and that is not maintained in accordance with applicable local housing or property maintenance codes or ordinances.
- (viii) The property has code violations posing a severe and immediate health or safety threat and has not been substantially rehabilitated within one year after the receipt of notice to rehabilitate from the appropriate code enforcement agency or final determination of any appeal, whichever is later."

Definition of Affordable Rents:

The County of Muskegon does not intend to use its NSP 3 Program funds for rental properties. If it were to do so, it would use the Fair Market Rent Schedules as published by the U.S. Department of --Housing and Urban Development. The County of Muskegon - FMR is a gross rent that includes utilities. Any utilities that are required to be paid by the tenant must be subtracted from the FMR to determine the maximum "affordable rent" rate. The County of Muskegon utilizes the regional Utility Schedule that is published by the Michigan State Housing Development Authority on an annual basis.

Fair Market Rent

1 Bedroom	\$470
2 Bedroom	\$611
3 bedroom	\$808
4 bedroom	\$831

Housing Rehabilitation/New Construction Standards:

The County of Muskegon approved Housing Rehabilitation Standards for the NPS 3 Program and included them as part of the work plan requirements for the Requests for Proposals for developers to ensure that the potential respondents were well aware of the Housing Standards. The Housing Rehabilitation Standards follow the Certifications as an attachment to the Abbreviated Plan can be found on the County of Muskegon, Office of Grant Coordination website. The standards ar 30 pages and length and therefore, do not meet the space requirements in this Action Plan.

Vicinity Hiring:

The County of Muskegon has an approved a Section 3 Plan. In addition the County of Muskegon has several policies and procedures in place to help ensure that residents of Muskegon County are able to successfully bid and participate in projects funded by the County.

The County of Muskegon through its workforce board, the Muskegon/Oceana Consortium, Michigan Works utilizes the One-Stop Centers to recruit and train Muskegon County residents to work for local employers to encourage the use of local residents on County projects. These training efforts have been successful in ensuring that residents of the affected areas are hired to do the work in their neighborhood.

The County of Muskegon will require through its contracts with the developer or other vendors that the developer/vendor will be required to provide for the hiring of the employees living within the vicinity – the Oakview and Muskegon North area. Given that the Muskegon/Oceana Consortium, Michigan Works has been actively providing construction training, including lead abatement training to residents in the two areas, there will be a sufficient number of trained residents that can be hired to perform the work. The County of Muskegon will monitor the hiring of employees by the developer and other vendors to assure that the Section 3 requirements are met.

Procedures for Preferences for Affordable Rental Dev.:

The County of Muskegon is not using NSP 3 funds for affordable rental development. If the County were to change the program, it would need to request permission from HUD, the Citizens Review Committee and the Muskegon County Board of Commissioners.

Grantee Contact Information:

NSP Contact Person:	Judith Kell, Grant Coordinator
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Total Projected Budget from All Sources	N/A	\$1,321,900.00
Total Budget	\$0.00	\$1,321,900.00
Total Obligated	\$0.00	\$1,321,900.00
Total Funds Drawdown	\$0.00	\$1,314,546.50
Program Funds Drawdown	\$0.00	\$1,037,066.19
Program Income Drawdown	\$0.00	\$277,480.31
Program Income Received	\$52,152.51	\$499,502.56
Total Funds Expended	\$0.00	\$1,265,781.32
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Progress Toward Required Numeric Targets

Requirement	Target	Actual
Overall Benefit Percentage (Projected)		0.00%
Overall Benefit Percentage (Actual)		0.00%
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$160,785.00	\$0.00
Limit on Admin/Planning	\$107,190.00	\$102,348.38
Limit on Admin	\$0.00	\$102,348.38
Most Impacted and Distressed Threshold (Projected)	\$0.00	\$0.00
Progress towards LH25 Requirement	\$330,475.00	\$327,963.12

Overall Progress Narrative:

The home at 907 Mangin sold in January, 2019. The program income was reported in January, 2019. We are prepared to start the close-out process of this grant, and are showing a Program Income balance of \$673.42 after all NSP3 Program Income related expenditures.

Project Summary

Project #, Project Title	This Report	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
Administration, Administration	\$0.00	\$107,190.00	\$77,686.59
ARR, Acquisition, rehab and resale	\$0.00	\$1,214,710.00	\$959,379.60

Activities

Project # / ARR / Acquisition, rehab and resale

Grantee Activity Number: ARR-LH25
Activity Title: Acquisition, rehab and resale-LH25

Activitiy Category:
Rehabilitation/reconstruction of residential structures
Project Number:
ARR
Projected Start Date:
03/15/2012
Benefit Type:
Direct (HouseHold)
National Objective:
NSP Only - LH - 25% Set-Aside
Program Income Account:
1071 Irwin

Activity Status:
Under Way
Project Title:
Acquisition, rehab and resale
Projected End Date:
03/14/2015
Completed Activity Actual End Date:

Responsible Organization:
County of Muskegon

Overall	Jan 1 thru Mar 31, 2019	To Date
Total Projected Budget from All Sources	N/A	\$330,475.00
Total Budget	\$0.00	\$330,475.00
Total Obligated	\$0.00	\$330,475.00
Total Funds Drawdown	\$0.00	\$327,963.12
Program Funds Drawdown	\$0.00	\$239,927.97
Program Income Drawdown	\$0.00	\$88,035.15
Program Income Received	\$52,152.51	\$307,654.31
Total Funds Expended	\$0.00	\$516,859.66
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Activity Description:
cut and paste from action plan

Location Description:
cut and paste from action plan

Activity Progress Narrative:

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	12/2
#Energy Star Replacement	0	166/12
#Additional Attic/Roof	0	9/2
#High efficiency heating plants	0	0/2
#Efficient AC added/replaced	0	9/2
#Replaced thermostats	0	9/2
#Replaced hot water heaters	0	9/2
#Light Fixtures (Indoors)	0	151/60
#Light fixtures (outdoors)	0	28/4
#Refrigerators replaced	0	9/0
#Clothes washers replaced	0	0/0
#Dishwashers replaced	0	9/0
#Units with solar panels	0	0/0
#Low flow toilets	0	9/4
#Low flow showerheads	0	9/1
#Units with bus/rail access	0	9/2
#Units exceeding Energy Star	0	9/2
#Sites re-used	0	9/2
#Units deconstructed	0	1/0
#Units & other green	0	0/0
Activity funds eligible for DREF	0	0/0
# ELI Households (0-30% AMI)	0	0/0

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	10/2
# of Singlefamily Units	0	10/2

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod
# of Households	0	0	0	8/2	4/0	12/2	100.00
# Owner Households	0	0	0	8/2	4/0	12/2	100.00

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	