

NOTICE TO PUBLIC
AVAILABILITY OF SUBSTANTIAL AMENDMENT TO ACTION PLAN (7/1/11-6/30/12) FOR
EMERGENCY SOLUTIONS GRANT (ESG) FUNDING
OF
PUBLIC HEARING ON PROPOSED FUNDING ALLOCATION FY 2013 (7/1/12-6/30/13)
CITY OF LANSING

SUBSTANTIAL AMENDMENT TO ACTION PLAN, 7/1/2011 – 6/30/12 – ESG –
SECOND ALLOCATION

The City of Lansing is submitting a substantial amendment to its FY 2012 Action Plan (7/1/2011-6/30/2012) for the Emergency Solutions Grant Program. There were two allocations for that time period. The City of Lansing's first allocation of \$97,326 is subject to the Emergency Shelter Grant Program regulation. The City of Lansing's second allocation of \$54,746 must be exclusively used for **homelessness prevention assistance, rapid re-housing, assistance, Homeless Management Information Systems (HMIS) and administration.**

BACKGROUND INFORMATION

This interim rule, published in the Federal Register on December 5, 2011, revises the regulations for the Emergency Shelter Grants program by establishing the regulations for the Emergency Solutions Grants program, which replaces the Emergency Shelter Grants program. The change in the program's name, from Emergency Shelter Grants to Emergency Solutions Grants, reflects the change in the program's focus from addressing the needs of homeless people in emergency or transitional shelters to assisting people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness.

The Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act), enacted into law on May 20, 2009, consolidates three of the separate homeless assistance programs administered by HUD under the McKinney-Vento Homeless Assistance Act into a single grant program, and revises the Emergency Shelter Grants program and renames it as the Emergency Solutions Grants (ESG) program. The HEARTH Act also codifies into law the Continuum of Care planning process, a longstanding part of HUD's application process to assist homeless persons by providing greater coordination in responding to their needs.

PURPOSE: To provide citizens the opportunity to examine and comment on the City of Lansing's Substantial Amendment to the Action Plan (7/1/11 – 6/30/12) for Emergency Solutions Grant for the Second Allocation of the amounts and spending restrictions on the use of the second allocation of FY 2012 (7/1/11-6/30/12) Emergency Shelter Grants/Emergency Solutions Grants funding (including requirements for established expenditures limits for emergency shelter and street outreach activities and requirements for receiving the second allocation and requirements that apply to the FY 2012 (7/1/12-6/30/13) and future Consolidated planning

A copy of the ***Substantial Amendment for ESG to the City of Lansing FY 2012 (7/1/2011 – 6/30/2012) Action Plan*** will be available for public review and comment at the City of Lansing Department of Planning and Neighborhood Development, 316 N. Capitol, Lansing, MI and department website at: www.lansingmi.gov/pnd/development; and at the Capital Area District Library (Reference Desk, 2nd flr.), 401 S. Capitol Ave, Lansing, MI. The comment period for the ***Substantial Amendment for ESG*** will commence at **8:00 a.m. on February 9, 2012 and expire at 5:00 p.m. March 9, 2012.**

All written comments submitted by citizens of Lansing will be reviewed and considered. The

Substantial Amendment for ESG to the City of Lansing FY 2012 (7/1/2011 – 6/30/2012) Action Plan will be submitted to the Department of Housing and Urban Development on or about **March 26, 2012**. A summary of all comments received will be attached to the final document.

For further information regarding this notice, please contact: Doris Witherspoon, Senior Planner City of Lansing, Michigan, Department of Planning and Neighborhood Development, 316 North Capitol, Suite D-1, Lansing Michigan 48933-1236. Telephone (517) 483-4063.

PUBLIC HEARING – PROPOSED FUNDING ALLOCATION FY2013, 7/1/2012 – 6/30/13 – INCLUDING CHANGES TO ESG

NOTICE OF PUBLIC HEARING

TO: ALL LANSING CITIZENS AND ORGANIZATIONS

FROM: LANSING PLANNING BOARD

SUBJECT: PUBLIC HEARING ON **FEBRUARY 21, 2012**

TIME AND PLACE: **6:30 p.m., Fire Station #1, Community Room, 120 E. Shiawassee, Lansing, MI,**

PURPOSE: TO PROVIDE CITIZENS THE OPPORTUNITY TO EXAMINE AND COMMENT ON PROPOSED OBJECTIVES, GOALS AND PROJECTED USE OF COMMUNITY DEVELOPMENT FUND RESOURCES, INCLUDING THE COMMUNITY DEVELOPMENT BLOCK GRANT, HOME AND EMERGENCY SOLUTIONS GRANT PROGRAMS, TO BE INCLUDED IN THE CITY'S ANNUAL ACTION PLAN SUBMISSION FOR FY 2013 (7/1/2012 – 6/30/2013).

**PROPOSED FUNDING ALLOCATIONS
FY 2013 (7/1/12 – 6/30/13)**

CITY OF LANSING COMMUNITY DEVELOPMENT OBJECTIVES

The primary objective of Lansing's Housing and Community Development Program is the development of a viable community which will provide standard housing in a suitable living environment, principally to benefit low and moderate income persons, preserve and expand existing businesses and industries, and create an atmosphere conducive to stability in neighborhoods. Specific objectives are enumerated as follows:

- a. Provide standard housing in a suitable living environment through rehabilitation, new construction and improvement of the housing stock primarily in CDBG eligible neighborhoods and in specifically designated housing target areas.
- b. Provide housing counseling and assistance that will benefit low and moderate-income households.
- c. Promote home ownership for low and moderate-income households.
- d. Maintain at current levels the number of public and assisted housing units available to low and moderate-income households.

- e. Provide assistance to develop housing and supportive human services for people with special needs and who are homeless and those at risk of becoming homeless.
- f. Provide assistance to rehabilitate housing and deliver supportive human services to low and moderate income households with special needs.
- g. Promote economic opportunity for low and moderate-income individuals by facilitating economic development, providing employment and sponsoring job training, business and educational programs and initiatives.
- h. Promote economic development to provide jobs, business services and shopping opportunities for residents located in CDBG eligible areas.
- i. Provide community services, recreational opportunities and public facilities to improve the quality of life in CDBG eligible neighborhoods.
- j. Increase security and safety in neighborhoods by supporting public safety and crime prevention initiatives, public educational programs and citizens' awareness in CDBG eligible areas.
- k. Improve the city's transportation, public facilities and infrastructure systems in CDBG eligible areas.
- l. Protect and improve the city's physical environment, including preventing or eliminating blight, removing lead or other safety hazards, preserving historic resources, promoting healthy housing and improving energy fitness in housing occupied by low and moderate-income households.
- m. Promote fair housing objectives.

PROPOSED COMMUNITY DEVELOPMENT BLOCK GRANT ACTIVITIES AND USE OF FUNDS

FY 2013 (7/1/12 – 6/30/13)

CDBG Single-family, Owner-Occupied Rehab Program

Includes loans and grants for rehabilitation of owner-occupied housing units through city sponsored programs, and in conjunction with affordable housing efforts sponsored by nonprofit housing corporations and other state and federal agencies. Includes funds to meet lead hazard reduction regulations in rehabilitated structures, funds to assist in emergency rehabilitation, market analysis activities and technical assistance to nonprofit housing corporations, contractors, low- and moderate-income households. Includes loans and grants for owner-occupied single-family units through city sponsored programs, loans to rehabilitate historic homes in conjunction with rehabilitation of the unit, and loans or grants for ramps or weatherization. Includes staff, office space, technical assistance, training and other direct project costs associated with delivery of Community Development Block Grant, HOME, Emergency Shelter Grant and other State and Federal Programs. 20 housing units estimated. Additional units may be completed with prior year funds.

\$1,000,405

CDBG Rental Rehab Program

Includes loans and grants for rehabilitation of rental housing units through city sponsored programs. Includes funds to meet lead hazard reduction regulations in rehabilitated structures. 7 units estimated. **\$150,000**

Weatherization

Includes financing of an Energy Fitness Program and/or Energy Optimization Program to benefit low and moderate-income households, 60 housing units estimated with current funding. Additional units may be completed with prior year funds. **\$40,000**

Acquisition

Includes acquisition, maintenance and security of properties acquired through programs, and activities related to acquisition, disposition, relocation and clearance of dilapidated structures. Funds may also be used to acquire properties in the flood plain. Also includes staff time associated with this activity. 1 housing unit estimated. Prior year funds may be used. **\$1,000**

Public Improvements

General street, sidewalk, water/sewer improvements, including assistance to income eligible owner-occupants or those in CDBG-eligible areas for special assessments related to new improvements. Includes improvements to neighborhood parks, recreational facilities; public neighborhood, medical and community facilities in CDBG priority areas. Some improvements may be made with prior years' funds. **\$1,000**

Public Services (limited to 15%)

Includes homeownership counseling and education, neighborhood counseling, youth and senior programs, neighborhood clean-ups, community gardens, home repair classes, tool lending programs, employment training, and community safety. Services are for low- and moderate-income individuals and/or those in CDBG-eligible areas located within the Lansing city limits. **\$272,000**

Economic Development

Loans, technical assistance and training to low- and moderate-income owners of and persons developing micro-enterprises within or planning to locate within the Lansing city limits. (A micro-enterprise is a business with five or fewer employees, including the owner(s).) Estimate 8 people trained and 4 loans issued. Prior year funds may be used. **\$100,000**

Creation of jobs to benefit low and moderate-income city of Lansing residents. Estimate 3 jobs.

Technical assistance to individuals and for-profit businesses including workshops, technology assistance, façade improvement loans/grants, market analysis, business promotion, referrals for the attraction of new business and expansion of existing business within CDBG-eligible areas of Lansing. Estimate 40 individuals and 4 businesses assisted.

CDBG General Administration (limited to 20%)

Includes staff and other costs associated with preparation of required Consolidated Planning documents, environmental clearances, fair housing activities and citizen participation activities associated with the delivery of CDBG, HOME and other state and federal programs. Includes planning and general administration costs associated with delivery of CDBG and other state and federal programs. Includes indirect administrative costs and building rent paid to the city.

\$255,469

Total FY2013 CDBG: \$1,819,874

PROPOSED HOME PROGRAM ACTIVITIES AND USE OF FUNDS

FY 2013 (7/1/12 – 6/30/13)

HOME Owner Rehab Program

Includes loans and grants for rehabilitation of at least two owner-occupied housing units. Additional units may be completed with prior year funds.

\$75,000

Down Payment Assistance

Funds provided to homebuyers for down payment and closing costs for purchase of a single-family home located within the Lansing city limits. Up to \$15,000 will be available as a 0% interest second mortgage for homebuyers with income at or below 80% of median income. Assistance not limited to first-time homebuyers. May include staff time and/or homeownership counseling fees associated with this activity. Estimate 12 housing units. Prior year funds may be used.

\$ 150,000

New Construction

Includes funds for loans and grants for construction of 1 affordable housing unit. Additional units to be completed with prior year funds.

\$ 80,150

HOME Development Program

HOME funds allocated for housing developed in partnership with the city, including Supportive Housing Program (SHP) activities, and Homeowner Purchase Rehab (HPR). Projects may include new construction and rehabilitation activities with non-profit and for-profit developers, including CHDOs. Funds may also be transferred for use in single-family, owner-occupied rehabilitation projects. Also includes staff time associated with these activities. 2 housing unit estimated. Additional units may be completed with prior year funds.

\$105,444

Community Housing Development Organization (CHDO) Operating (limited to 5%)

Funds reserved at option of the city to provide operating funds to CHDO's utilizing HOME funds provided by the city to produce affordable housing in the community.

\$ 30,000

CHDO Set-aside (15% minimum required)

HOME Program set-aside reserved for housing developed, sponsored or owned by CHDOs in partnership with the City. 1 unit estimated. Prior year funds may be used.

\$ 90,000

HOME General Administration (limited to 10%)

Includes staff and general administration costs to deliver HOME program. \$ 60,000

Total FY2013 HOME: \$ 590,594

EMERGENCY SOLUTIONS* GRANT PROGRAM ACTIVITIES
AND USE OF FUNDS
(Formerly Emergency Shelter Grant)
FY 2013 (7/1/12 – 6/30/13)

Homeless Assistance

Funds provided to address homelessness \$ 25,858

Homeless Prevention

Funds provided to prevent homelessness \$38,786

Administrative Activities (limited to 7.5%)

Funds provided to offset the cost of administering emergency solutions program. \$13,103

Shelter Operation/Street Outreach

Funds provided to shelter providers to cover cost of maintenance, operations, insurance, utilities and furnishings in shelter facilities. \$96,966

Funds provided for street outreach activities

Total FY2013 \$ 174,713

SUMMARY

Estimated Thirty-Eighth Year Community Development Resources:

CDBG Entitlement Grant:	\$1,819,874
HOME Program Funds:	590,594
ESG Program Funds:	<u>174,713</u>
TOTAL:	\$2,585,181

Administrative, management and operation costs for the above programs include the administration, management and operations of the eligible activities, **as well as other federal and state community development programs in which the city is now or may be participating.**

*Changes due to the HEARTH Act have resulted in transitioning the program name and activities from Emergency Shelter Grant Program to Emergency Solutions Grant Program.