



City of Niles REVISED

PY 2015

(October 1, 2015– September 30, 2016) Community Development Block Grant Annual Action Plan

Posted for Public Comment: Friday, July 31, 2015
Scheduled for Presentation to City Council: Monday, August 10, 2015
Approved by City Council: Monday, August 10, 2015
1st Substantial Amendment: Thursday, August 20, 2015
Posted for Public Comment: Thursday, August 20, 2015
Scheduled for Presentation to City Council: Monday, September 14, 2015
Approved by City Council: Monday, September 14, 2015
2nd Substantial Amendment: Monday, October 12, 2015
Posted for Public Comment: Wednesday, October 14, 2015
Scheduled for Presentation to City Council: Monday, October 26, 2015
Approved by City Council: TBD

Sanya Phillips: Community Development Director

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1st Revision City of Niles, MI PY 2014 CDBG Project Amended Budget – Sept 2015

FY15 Projects	FY15 Allocation	Reprogrammed Funds	Total FY15 Funding Recommendations
Infrastructure	\$79,000	\$11,000	\$90,000
- <i>Street Resurfacing</i>	\$39,000	\$11,000	\$50,000
- <i>Urban Trail Project</i>	\$40,000		\$40,000
Code Enforcement	\$60,000		\$60,000
HAP	\$56,000		\$56,000
Public Services	\$40,000		\$40,000
- <i>Summer My Way</i>	\$20,000		\$20,000
- <i>Social Services for Affordable Housing Residents</i>	\$20,000		\$20,000
Planning	Combined with Administration as recommended by HUD		
Administration and Planning	\$35,000	\$19,000	\$54,000* *Total adjusted to comply with regulatory cap on funding
Total	\$270,000	\$30,000	\$300,000

2nd Revision City of Niles, MI PY 2014 CDBG Project Amended Budget Oct 2015

FY15 Projects	FY15 Allocation	Reprogrammed Funds	Total FY15 Funding Recommendations
Infrastructure	\$79,000	\$11,000	\$90,000
- <i>Street Resurfacing</i>	\$39,000	\$11,000	\$50,000
- <i>Urban Trail Project</i>	\$40,000		\$40,000
Code Enforcement	\$60,000		\$60,000
HAP	\$56,000		\$56,000
Public Services	\$40,000		\$40,000
- <i>Summer My Way</i>	\$20,000		\$20,000
- <i>Crime Prevention Program</i>	\$20,000		\$20,000
Administration and Planning	\$35,000	\$19,000	\$54,000
Total	\$270,000	\$30,000	\$300,000

ACTION PLAN – 91.220(a) – Standard Form 424 and Certifications

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ACTION PLAN – 91.220(b) - Executive Summary

Currently, the City of Niles expects to receive an estimated \$270,000 in funding from the U.S. Department of Housing and Urban Development under the program year 2015 Community Development Block Grant Program. Funds from this program are expected to be available for the period October 1, 2015 through September 30, 2016. It is estimated that an additional \$30,000 of funds will be reprogrammed from PY14 for distribution and use during PY15.

Like many communities, Niles continues to be affected by economic stagnation and decreasing revenues. The City of Niles intends to use its CDBG allocation for street resurfacing/repair, home rehabilitation, code enforcement activities, public services and administration of the CDBG program.

The preferred outcome for this submission of the City of Niles, Michigan's Annual Action Plan focuses on creating a safe, decent and suitable living environment for the citizens of Niles – particularly for low and moderate-income persons living within a designated Low-Moderate Income Area (LMA) within the City.

As detailed herein, the purpose of this Plan is to establish and define projects and programs to be supported by Community Development Block Grant funds. The following is a summary of said projects:

Goal: Public Safety and Support

Activity: Public Services to Low/Moderate Income Citizens

Goal: Arrest or Limit Neighborhood Decay

Activity: Code Enforcement

Activity: Owner-Occupied Housing Assistance Emergency Rehabilitation/Repair

Goal: Improve Public Infrastructure

Activity: Street Resurfacing Program

Activity: Urban Trail Project* *Revised August 20, 2015*

Goal: Administration

Activity: CDBG Program Administration

Activity: Consolidated Planning

Activity: Analysis of Impediments to Fair Housing

ACTION PLAN – 91.200 and 91.220(b) - Citizen Participation

The City of Niles will follow the HUD standards for Citizen Input as described in 24 CFR Part 91 Sec. 91.105: Citizen Participation Plan; Local Governments.

These steps were taken to ensure that any City of Niles resident wishing to comment on the Annual Action Plan will have that opportunity.

On Monday July 27, 2015 City of Niles Community Development staff will ask the City Council to schedule a public hearing on August 10, 2015.

On July 31, 2015 City of Niles Community Development Staff published a summary of the Annual Action Plan Notice and made it available at the following locations:

Internet/City Website (nilesmi.org)

Niles District Library

City Hall

Niles-Buchanan YMCA

The public will be notified and encouraged to make comments on the summary of the proposed Annual Action Plan for no less than 30 days beginning on August 1, 2015 and ending on August 30, 2015. All comments will be considered by the Community Development Director and the City Administrator. A written summary of the City's official response to all comments will be drafted and presented to the City Council.

A public hearing will be held at the Niles Fire Station/Council Chamber on August 10, 2015 at 5:55pm prior to approval of the PY15 Action Plan, subject to any changes or modifications.

On August 11, 2015 the PY15 Annual Action Plan will be submitted to HUD for review and approval.

Summary of public comments

Multiple comments were received requesting information on how the City's longterm subrecipient, Ferry Street Resource Center would be impacted by this year's Annual Plan. City staff provided details on conversations with FSRC on future programs/projects that would allow them to grow the organization. FSRC's director indicated that they were going to be strategically aligning their work with housing and basic needs services and felt that their organization would be able to apply under at least one of the outline projects included within the Public Services section of this Annual Action Plan.

Summary of comments or views not accepted and the reasons for not accepting them

Not Applicable

These steps were taken to ensure that any City of Niles resident wishing to comment on the 1st Revised Annual Action Plan will have that opportunity.

On Thursday, August 20, 2015, City of Niles Community Development staff will ask the City Council to schedule a public hearing on September 14, 2015.

On August 20, 2015 City of Niles Community Development Staff published a summary of the Revised Annual Action Plan Notice and made it available at the following locations:

Internet/City Website (nilesmi.org)
Niles District Library
City Hall
Niles-Buchannan YMCA

The public will be notified and encouraged to make comments on the summary of the proposed Annual Action Plan for no less than 30 days beginning on August 20, 2015 and ending on September 30, 2015. All comments will be considered by the Community Development Director and the City Administrator. A written summary of the City's official response to all comments will be drafted and presented to the City Council.

A public hearing will be held at the Niles Fire Station/Council Chamber on September 14, 2015 at 5:55pm prior to approval of the PY15 Action Plan, subject to any changes or modifications.

Summary of public comments

A member of the community asked about funding for the City's long-time subrecipient Ferry Street Resource Center.

Summary of comments or views not accepted and the reasons for not accepting them

Not Applicable

These steps were taken to ensure that any City of Niles resident wishing to comment on the 2nd Revision of the Annual Action Plan will have that opportunity.

On Monday, October 12, 2015, City of Niles Community Development staff asked the City Council to schedule a public hearing on Monday, October 26, 2015.

On Wednesday, October 14, 2015 City of Niles Community Development Staff published a summary of the Revised Annual Action Plan Notice and made it available at the following locations:

Internet/City Website (nilesmi.org)
Niles District Library
City Hall
Niles-Buchannan YMCA

The public will be notified and encouraged to make comments on the summary of the proposed Annual Action Plan for no less than 30 days beginning on October 14, 2015 and ending on November 16, 2015. All comments will be considered by the Community Development Director and the City Administrator. A written summary of the City's official response to all comments will be drafted and presented to the City Council.

A public hearing will be held at the Niles Fire Station/Council Chamber on Monday, October 26, 2015 at 5:55pm prior to approval of the Substantial Amendment to the PY15 Action Plan, subject to any changes or modifications.

Summary of public comments

TBD

Summary of comments or views not accepted and the reasons for not accepting them

TBD

Monitoring Plan as Requested by HUD

- **How often you monitor your subrecipients**
 - At a minimum, subrecipients are monitored annually.
- **How do you choose who you are going to monitor**
 - All subrecipients are monitored.
- **How do you determine if the subrecipient is complying with the applicable regulations**
 - The City utilizes the HUD Monitoring Guide included in the MANAGING CDBG: A GUIDEBOOK FOR ENTITLEMENT GRANTEEES ON SUBRECIPIENT OVERSIGHT as well as an internally created form that outlines specific regulatory requirements.
- **What is your process for monitoring: visit letter, checklist, readout, follow-up letter, etc.**
 - Subrecipients are advised during the contract phase that each month reports are carefully reviewed and that any issues are documented in the project file.
 - Subrecipients are advised during the contract phase that City staff will conduct a monitoring review of the project at least once during the program year. They are advised mid-year whether they will be required to have an onsite review or whether a desktop monitoring report will be conducted.
 - Subrecipients then receive (sent to executive, cfo/accountant and board chair) an email notifying them of the need for City staff to conduct the monitoring and what types of information will need to be assembled for review and who is requested to attend the opening/closing meetings and/or be available for discussion.
 - Subrecipients not responding to email notices are sent a letter via USPS notifying them of the need for City staff to conduct the monitoring and what types of information will need to be assembled for review and who is requested to attend the opening/closing meetings and/or be available for discussion.
 - City staff conduct the monitoring and provide a written report to the executive, cfo and board chair and a copy is provided to the City Administrator for review.
 - Should staff note any findings and/or issues requiring immediate attention, an email is sent to the executive, cfo and board chair and copied to the City Administrator and/or

City CFO, notifying them of the finding, related regulation requirements, remedies, a timeframe for compliance and possibly notice of a second monitoring review to ensure compliance.

- Those entities not responding to email notices are sent a letter via USPS which are copied to the City Administrator and/or City CFO, notifying them of the finding, related regulation requirements, remedies, a timeframe for compliance and possibly notice of a second monitoring review to ensure compliance.
- Subrecipients submitting compliance documentation are internally scheduled for review at appropriate intervals dependent on the action needed for compliance. A follow-up letter is developed and issued notifying the agency of compliance or additional need for remediation.
- Should subrecipients not comply with monitoring findings and/or monthly report review notices or if City staff learn that there are errors, omissions and/or critical errors, they are placed on temporary funding suspension until issues are resolved and City staff are properly noticed and provided required documentation of compliance.

AP-10 Consultation – 91.100, 91.200(b), 91.215(l)

Upon annual consultation with numerous social services providers, religious groups, and area stakeholders in preparation for consolidated planning, it was determined that further consideration should be given to upcoming FY15 CDBG work plans versus strategic consolidated planning. These groups and City department heads are involved in local Placemaking Planning in collaboration with the Michigan Municipal League. These groups and City departments feel that the final document prepared in association with the Placeplans should be included for consideration with the City's Consolidated Plan and the Master Plan. These groups and departments have raised concerns that there are a number of alarming trends facing area residents that should receive immediate attention including: a lack of recent local economic growth, failing sewer systems, decaying housing stock, lack of transportation, widespread code violations, increased numbers of street people without local resources, abandoned homes, a lack of locally based social support and/or welfare programs, high unemployment rates coupled with high transportation costs. Based on these issues it was determined that the City needed to carefully consider fund usage and therefore submits a request for a one year extension on the submission of its consolidated plan with this Annual Action Plan.

In an effort to meet the requirements listed at (91.215(l)), the City met with the following public and private entities to seek input.

United Way
Chamber of Commerce
Ferry Street Resource Center
Downtown Development Authority
Southwest Michigan Economic Growth Alliance
Niles Community Schools
Niles Buchannan YMCA
Homeless Resource Network
Multiple and varied religious groups

City of Niles DART
City of Niles Dept. of Public Works
City of Niles Code Enforcement
City of Niles Fire Department
City of Niles Police Department
City of Niles Buildings Department
Lakeland Health Systems
Niles Housing Commission

**ACTION PLAN – 91.220(c) (1) and (c) (2) – Federal and Other Resources
 AP-15 Expected Resources – 91.220(c) (1, 2)**

Table 1 - Expected Resources – Priority Table

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1			
			Annual Allocation	Program Income	Prior Year Resources	Total
CDBG	public - federal	See project table below	\$270,000	\$0	\$30,000	\$300,000

The City of Niles will receive \$270,000 in CDBG funds for PY 2015 based on the information supplied to the City of Niles, MI by the US Department of Housing and Urban Development (HUD). An estimated \$30,000 in remaining funding will be reprogrammed and used during the 2015 Program Year.

Leveraging/Use of Non-federal Funds: While no indirect costs are specifically applied to the CDBG expense budget, it should be understood that the City incurs costs associated with the delivery of its CDBG program. Specifically, the City’s General Fund underwrites the salaries of City leaders and department heads charged with overall administration, project execution and financial oversight of the CDBG program, Code Enforcement officer transportation and vehicle upkeep, salaries and benefits as well as overhead costs like insurance, occupancy, audit fees and other costs. The City has determined that due to the cost and administrative burden of creating an indirect cost allocation plan, no indirect costs will be charged to the CDBG budget.

**Originally Submitted City of Niles, MI PY 2014 CDBG Project Budget
 August 10, 2015**

FY15 Projects	FY15 Allocation	Reprogrammed Funds	Total FY15 Funding Recommendations
Infrastructure-Street Resurfacing	\$75,000		\$75,000
Code Enforcement	\$60,000		\$60,000
HAP	\$60,000		\$60,000
Public Services	\$40,000		\$40,000
Planning		\$30,000	\$30,000
Administration	\$35,000		\$35,000
Total	\$270,000	\$30,000	\$300,000

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1st Revision City of Niles, MI PY 2014 CDBG Project Amended Budget as Recommended by HUD August 20, 2015

FY15 Projects	FY15 Allocation	Reprogrammed Funds	Total FY15 Funding Recommendations
Infrastructure	\$79,000	\$11,000	\$90,000
- <i>Street Resurfacing</i>	\$39,000	\$11,000	\$50,000
- <i>Urban Trail Project</i>	\$40,000		\$40,000
Code Enforcement	\$60,000		\$60,000
HAP	\$56,000		\$56,000
Public Services	\$40,000		\$40,000
Planning	Combined with Administration as recommended by HUD		
Administration and Planning	\$35,000	\$19,000	\$54,000* *Total adjusted to comply with regulatory cap on funding
Total	\$270,000	\$30,000	\$300,000

2nd Revision City of Niles, MI PY 2014 CDBG Project Amended Budget Oct 2015

FY15 Projects	FY15 Allocation	Reprogrammed Funds	Total FY15 Funding Recommendations
Infrastructure	\$79,000	\$11,000	\$90,000
- <i>Street Resurfacing</i>	\$39,000	\$11,000	\$50,000
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HAP	\$56,000		\$56,000
Public Services	\$40,000		\$40,000
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Annual Objectives 91.220(c) (3)

Decent housing
Retaining affordable housing stock
Increasing the availability of affordable permanent housing in standard condition to low-income and moderate-income families, particularly to members of disadvantaged minorities without discrimination on the basis of race, color, religion, sex, national origin, familial status, or disability
Suitable living environment
Improving the safety and livability of neighborhoods
Eliminating blighting influences and the deterioration of property and facilities
Increasing the access to quality public and private facilities

AP-35 Projects – 91.220(d)

CDBG funded activities for the 2015 program year (October 1, 2015- September 30, 2016) will meet underserved needs, improve housing, provide a suitable living environment and foster a higher quality of life.

PROJECT NAME

1	Infrastructure – Street Resurfacing
2	Code Enforcement
3	Homeowner Assistance Program
	A. Homeowner Rehab/Repair
	B. Smoke and Carbon Monoxide Detector Program
4	Public Services
	A. Summer My Way
	B. Crime Prevention
5	Administration
	A. Program Administration
6	Planning
	A. Consolidated Plan and Analysis of Impediments to Fair Housing
	B. Planning and Technical Assistance for Affordable Housing Providers

1. Infrastructure

Street Resurfacing.

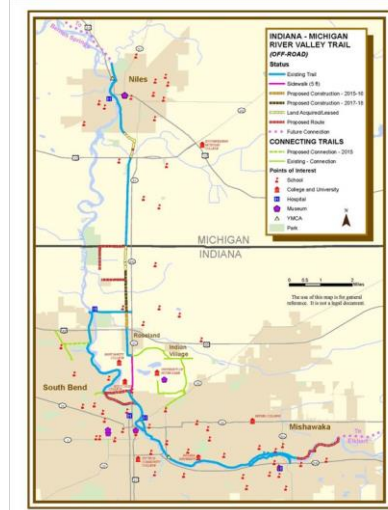
Residents have indicated that there are some basic infrastructure improvements that are critical to neighborhood safety and beautification. Community residents cited potholes, broken curbs, broken and damaged sidewalks, nonfunctional lighting, and other infrastructure and maintenance issues that need to be addressed to enhance the appearance of the neighborhood and help restore hometown pride. While the City already focuses on more mundane issues such as street light replacement, this project seeks to continue the previous infrastructure improvements that will benefit residents by creating sustainable neighborhoods. Repairing

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sidewalks is a high priority activity as identified by the 2009 *Community Needs Assessment Survey*.

Outcome: In **PY 2015** the City will allocate \$50,000 to improve road condition within its LMA. Project locations will be selected by the Department of Public Works based on road condition, vehicular traffic and mobilization efficiency. Total quantities of improved roadwork will depend on unit cost obtained during the spring of 2015, however, at current market rates, it is estimated that the City will be able to resurface streets 1,250 linear feet of its local roadways.

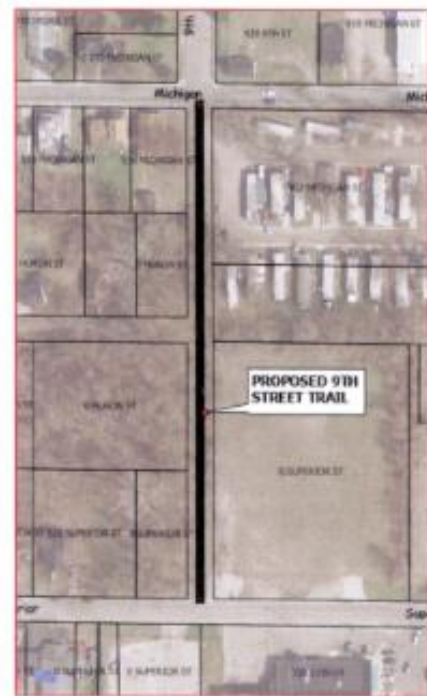
Urban Trail Project (approved as part of 1st Substantial Amendment):



As part of the parks and recreation plan and local surveys, residents have indicated that cultivated green space and alternative transportation routes as amenities that they would like more readily available in the community. For the last few years, the City has worked closely with the Southwest Michigan Planning Commission and a regional consortia of invested partners to develop and install additional trailhead entrances to the multi-jurisdictional IN-MI River Valley Trail. The Indiana-Michigan River Valley Trail partners are working to create a 34-mile trail connecting Niles, MI to Mishawaka, IN. The completed trail would be used by commuters, students, families and

tourists.

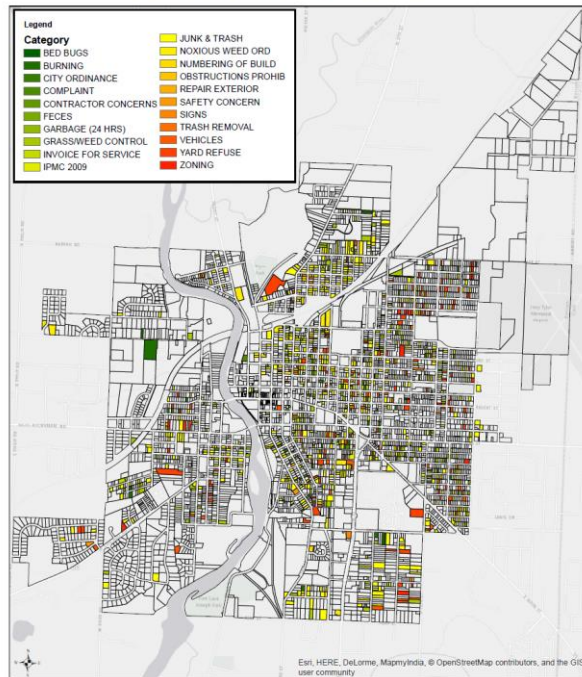
The City of Niles would like to develop an additional section of trail located south of 9th Street in the City Right-of-Way between Michigan Street and Superior Street that may become a part of the greater project. The section of land available effaces the only mobile home community within the City limits and would provide a safe transportation route for individuals living in the mobile community to the 11th Street Commerical district where they frequent for shopping, meals, employment and access to public transportation systems. Currently there are limited sidewalks available and local residents must cross a major highway to access key areas of the commercial district.



Outcome: In **PY 2015** the City will allocate \$39,000 to develop a walking trail south of 9th Street in the City Right-of-Way between Michigan Street and Superior Street. The project will be administered cooperatively by the Department of Public Works and Community Development.

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FY 2014 Code Enforcements



map allows for regular review of code efforts, decay/enforcement patterns and other helpful guides that will allow the City to more effectively and efficiently respond to the maintenance of a suitable and sustainable living environment.

2. Code Enforcement.

CDBG funds may be used for code enforcement only in deteriorating or deteriorated areas where such enforcement, together with public or private improvements, rehabilitation, or services to be provided, may be expected to arrest the decline of the area. (Reference: §570.202(c)). The City will partially fund its Code Enforcement Division of its Fire Department to eliminate and reduce blighted conditions.

Outcome: In PY15 the City of Niles intends to allocate \$60,000 for code enforcement activities throughout the City's low and moderate income areas and purchase updated code enforcement software. The following page depicts current code enforcement activities throughout the City. The map displays every lot within the City and shows the location of code violations.

3. Homeowner Assistance Program (HAP).

While housing remains generally affordable in Niles, poor housing quality, lack of equity and poor credit are negatively impacting prospective low and moderate income home buyers and existing homeowners. To address housing quality the City of Niles established a CDBG-funded Homeowner Assistance Program in 2004. The program works by providing rehabilitation assistance for income eligible homeowners (similar to a program which was funded by the Michigan State Housing Development Authority in Niles in 1995). The HAP generally addresses single items within a home (e.g. roof, furnace, electrical systems, etc.). Previous versions of the program addressed multiple items within a single home. The 2015 HAP seeks to assist homeowners by utilizing funds to repair/replace water heaters, roofs, plumbing and/or sewers as well as ADA compliant ramps for mobility challenged constituents. The HAP has also been modified to avoid the disturbance of any surface with the potential for lead based paint. Thus, the need to conduct lead assessments will again be negated as part of the Homeowner Assistance Program.

The HAP is a *deferred and forgivable program*, which has loan terms that include zero interest and no monthly payments. In order to avoid full repayment homeowners must reside in their home for at least five years. After a period of five years the loan is forgiven in its entirety and the mortgage is discharged. The deferred and forgivable aspect of this program is an excellent

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incentive to low-income homeowners who lack the financial means of making physical improvements to their homes. The HAP will be available throughout the entire City of Niles, but only to those households whose low and moderate income status is qualified.

The City of Niles will issue a request for proposals to determine if a vendor can more effectively manage the HAP program for the City. Up to 10% of the budget will be available to the subrecipient for administration of the program.

Outcome: In **PY 2015**, the City proposes to fund the HAP at \$56,000 and make repairs to or replace water heaters and furnaces only. A minimum of eight (8) homes owned by City of Niles low/moderate income homeowners- in accordance with the City of Niles Homeowner Assistance Program Guidelines, all HUD rehabilitation regulations and rules, including LPD regulations and current income guidelines for our community- will receive funding to repair or replace their water heater or furnace.

4. Public Services

Local community development plans indicate that afterschool and summer programs are among the most critical of needs. Local and national research would agree that students experience a myriad of issues while school is not in session which may be avoidable with the successful implementation of quality, out-of-school time programs. These include increased crime, lack of social stimulation, and a dramatic loss of academic knowledge, better known as “Summer Slide” associated with extended breaks between academic instructional periods.

Over the last two years, community partners concerned with these issues have developed a collaborative which has sought to counter many of these concerns by implementing educationally based, afterschool and summer programming. Local summer and “out-of-school time,” programs have been successfully providing area youth structured academic instruction and social, nutritional, and physical education programming opportunities to over 500 area youth for the last two years.

This year, the City of Niles will issue and make available a request for proposals for Public Services that seek to provide out-of-school time youth development programs. The City is specifically interested in funding organizations associated with local collaborative efforts. Eligible applicants will include only Berrien County nonprofit and/or religious organizations whose proposal seeks to limit “summer slide” specifically for City of Niles youth during out-of-school hours. Applicants will be required to demonstrate at least one year of experience providing such programming and must attend local collaborative planning events.

This year the City attempted to allocate funding under Public Services to support efforts being made by local affordable housing providers to meet the burgeoning social needs of residents. Under Planning (Item 6 below), the City sought to provide support for the planning and development of a local affordable housing consortia. A RFP was issued and made available to

the three (3) local affordable housing providers who are entities with HUD or MSHDA approved and/or funded, affordable housing to share case management and/or referral management services programs for their residents. City staff hosted a training session with all three entities and while they all expressed interest, only one program stated that they had the staff capacity to administer the program. Unfortunately the entity could not comply with RFP submission requirements after several attempts by City staff to work with them on the requirements. The City expects to continue to try and support the development of a housing consortia, but an entity will have to be willing to provide leadership and services as well as maintain the capacity to manage such a program however, there are currently, no local options.

As an alternative, staff returned to the Consolidated Plan to determine what programs were listed as high needs. Based on conversations with locally invested partners, the City Council and others, the City is proposing to provide supplemental crime prevention services by allocating funding under Public Services to support crime prevention activities undertaken by the Niles Police Department in cooperation with Niles Community Schools. The CDBG funding will be specifically used to provide crime prevention services to the NCS during afterschool and/or extracurricular activities sponsored by NCS. Currently, NCS provides funding for a school resource officer who works in the schools during the regular school season; however, no funding is available to extend the resource officer's services during afterschool and/or extracurricular activities. It is expected that extending these services would cut down on criminal behaviors commonly seen at school events and functions, including underage drinking and verbal and physical conflicts among other issues.

Outcome: In accordance with HUD guidelines, public service funding will be limited to 15% of the entire annual allocation. A maximum of \$40,000 will be made available under public services and it is expected that each program identified above will receive \$20,000.

5. Program/Project Administration and Planning.

This project funds CDBG program administration activities. The City utilizes CDBG funds to adequately manage program operations, including public noticing and project monitoring, funding requests and reviews, data entry, project closeout reports and procedures, technical assistance to applicants and to subrecipients, and Citizen input facilitation, as well as the preparation and oversight of all CDBG program reporting to the Niles City Council, to the citizens of Niles, and to HUD.

Outcome: In accordance with HUD CDBG regulations regarding administrative expense caps the City will allocate Administration and Planning \$54,000* for the general administration of the City's CDBG program and Planning related to the Consolidated Plan and AI, of which up to \$3,500 will be made available to public service providers to administer their projects.

*Total adjusted to comply with regulatory cap on funding during 1st Substantial Amendment Process.

Planning.

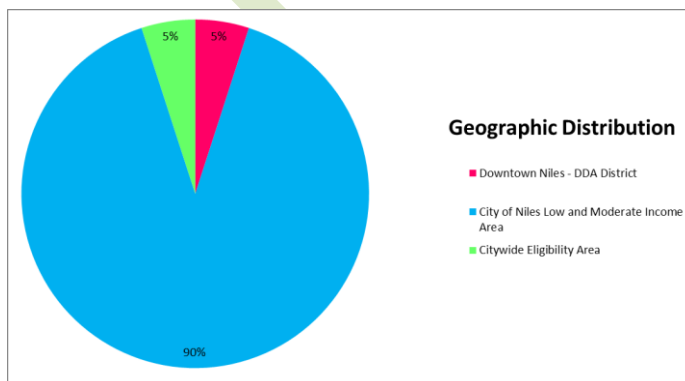
Upon annual consultation with numerous social services providers, religious groups, and area stakeholders in preparation for consolidated planning, it was determined that further consideration should be given to upcoming FY15 CDBG work plans versus strategic consolidated planning. These groups and City department heads are involved in local Placemaking Planning in collaboration with the Michigan Municipal League. It is generally agreed upon that the final document prepared in association with the Placeplans should be included for consideration with the City's Consolidated Plan and the Master Plan. As such, the City of Niles has requested approval, in association with the submission of this Annual Action Plan to for a one-year extension on our approved Consolidated Plan. As such, the City of Niles is proposing to continue utilizing the previously approved Consolidated Plan for an additional year. Therefore, as identified within the approved Consolidated Plan, a majority of planned activities will take place within the City's low and moderate income LMA Target Area, which is shown in section 91.220(d) of this Action Plan.

Careful review of local data shows an increased rate of local poverty, a growing number of substandard rental properties, a lack consistent local economic growth, failing sewer and other infrastructure systems, decaying housing stock, a lack of transportation, widespread code violations, increased numbers of impoverished citizens without local access to mainstream resources, abandoned homes, a lack of locally based social support and/or welfare programs, high unemployment rates coupled with high transportation costs.

In an effort to develop localized economies of scale, the City will support Planning and Technical Assistance for Affordable Housing Providers in an effort to determine the need for a local Affordable Housing Consortia. The City will work with the Boards from the Four Flags Plaza, The Niles Housing Commission, Parkview Apartments and developers interested in installing a senior affordable housing complex within the City limits.

Outcome: In accordance with HUD CDBG regulations regarding planning, the City will allocate up to \$30,000 towards planning efforts.

AP-50 Geographic Distribution – 91.220(f)



Rationale for the priorities for allocating investments geographically

The City of Niles uses the majority of its Community Development Block Grant funds to assist low and moderate income (LMI) residents, either through direct or indirect assistance. Indirect assistance occurs when the City deploys its CDBG funds in its designated Low and Moderate Income Area (LMA). To

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document low and moderate income areas the City has used two sources, the 2010 American Community Survey conducted by the U.S. Census Bureau and Community Planning and Development Map Tool provided by HUD.



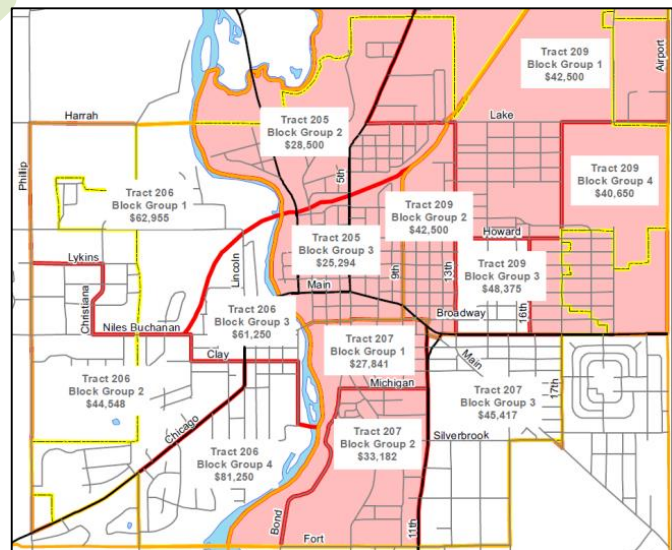
The CPD Map is more generalized and reveals which Census Tracts are LMA designated. The LMA is comprised of areas within the City of Niles which have a majority of residents whose incomes are less than 80 percent of the area median family income as established by HUD. The CPD Map of Niles, MI shows that a large portion of the City lays within LMA designated Census Tracts.

To create a more refined LMA map the City has utilized the services of a consultant to prepare a map that depicts block group data. Block Groups are smaller than Census Tracts as evidenced by comparing the map on the preceding page with the one below. Each of the City's four Census Tracts is divided into either three or four block groups. The block groups shown in pink below have a majority of residents whose incomes are 80% of the Median Family Income in Berrien County. The MFI in Berrien County is \$54,751, and 80% of the MFI is \$43,801.

Recent data associated with the American Families Survey is indicating that there has been an increase in the number of individuals locally experiencing poverty. As such, the City is in the process of developing, reviewing and submitting a map that would show a newly defined Low to Moderate Income Area (LMA) that is greater than 50% of the City's constituency. It is expected that the City will request permission from HUD to utilize the newly developed map upon submission of the next Consolidated Plan, expected in 2016.

AP-55 Affordable Housing – 91.220(g)

The mission of the City of Niles' Community Development Block Grant program is to address the needs of low and moderate income residents by pursuing the development of decent and affordable housing, a suitable living environment, and where applicable, expanded economic



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opportunities.

This year the City will provide support to the three approved affordable housing providers located within the City limits and one developer considering building a senior affordable housing complex. This support will be issued in an effort to determine if developing a local affordable housing consortia will create an opportunity for a local economy of scale.

The City's affordable housing goal also includes the number of households to be provided affordable housing through the rehabilitation of existing owner-occupied units.

One Year Goals for the Number of Households to be Supported

Homeless	1
Non-Homeless	6
Special-Needs	1
Total	8

One Year Goals for the Number of Households Supported Through

Rental Assistance	0
The Production of New Units	0
Rehab of Existing Units	8
Acquisition of Existing Units	0
Total	8

AP-60 Public Housing – 91.220(h)

Public housing was established to provide decent and safe rental housing for eligible low-income families, the elderly, and persons with disabilities. Public housing comes in all sizes and types, from scattered single family houses to high rise apartments for elderly families. In the United States, there are approximately 1.2 million households living in public housing units, managed by about 3,300 housing authorities (HA).

The Niles Housing Commission is one these housing authorities, having been created by agreement between the City of Niles and HUD in 1972. Today, the Niles Housing Commission manages a total of 180 units – 50 single family homes scattered throughout the City and 130 apartment units located within a six story high rise in downtown Niles

The Niles Housing Commission has been designated as “troubled” by HUD. As such, the City Administrator, Finance Director/City Treasurer and Community Development Director have been working with the Commissioners to meet the requirements set by HUD. The Niles Housing Commission does not have a current strategic plan for addressing the needs of low and moderate income families and improving their living environment, as well as improving the management and operation of public housing. However, following a long period of political upheaval and

managerial changes, the Housing Commission expects to complete a new strategic plan in the near future.

The City has been working closely with the NHC to rectify administrative issues and develop operational plans, policies and standard operating procedures. The City feels strongly that the success of the NHC is important to the community and has designated affordable housing planning as an approved project during this Action year.

ACTION PLAN – 91.220(e) – Homeless and Other Special Needs Populations

The current City of Niles' Consolidated Plan does not adequately address homeless needs. This year, there has been an increase in the number of individuals and families lacking permanent housing. While there are very few local people living on the streets (Niles Police Department indicates 1-5 people at any given time lack any residence within the City limits), there is a small number of local people in desperate need of permanent accommodations. Area homeless are only able to seek shelter accommodations in communities outside of the City (including South Bend, Indiana, Benton Harbor, Michigan or Kalamazoo, Michigan).

The City is working with the Berrien County Homeless Resource Network (the locally identified COC) to determine if funding is available to support 1-2 households in obtaining shelter and/or permanent housing within the City of Niles. Additionally, the Community Development Director is working with the Niles Community Schools' McKinney Vento Liaison to provide support to area youth designated as homeless under US Department of Education regulations.

Barriers to Affordable Housing- 91.220 (j)

Housing affordability in Niles is not perceived to be a problem. Generally, those seeking homeownership opportunities find affordable units. It is not known, however, whether the rents in the community are acting as a barrier for those unable or uninterested in homeownership. Ongoing conversations among landlords, renters, and affordable housing providers would indicate that available rental housing is affordable but that landlords are frequently unable to meet costly maintenance issues that would allow them to let code compliant properties.

This year, the City will research local landlord tenant practices, meet with the Southwest Landlord Association and area affordable housing providers and conduct at least one public forum to garner input on local barriers to affordable housing. It is expected that local needs and practices will necessitate further review and technical support. The City will work with HUD to determine the most appropriate course of action and methods for providing support and guidance to those having difficulty accessing and/or managing affordable housing.

In an effort to understand these and other barriers in our community, Niles Community Development staff understands that in preparing the upcoming Consolidated Plan and the Analysis of Impediments to Fair Housing that possible barriers will be identified and a plan to address them will need to be created.

ACTION PLAN – 91.220(g) – Program Specific Requirements

- The City of Niles does not receive HOME funds
- The City of Niles does not receive ESG funds

Revised