

## II. Narratives

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### General

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This document represents Michigan City's FY 2010 CAPER which:

- Evaluates strategies the City followed in carrying out its Community Development Block Grant (CDBG) programs for period October 1, 2010 through September 30, 2011; and
- Reports on how the city's housing and community development priorities, goals, and strategies established in the FY 2010 Annual Action Plan were met.

### What is an Annual Action Plan?

The Annual Action Plan is a planning document and an annual update to the Five-Year Consolidated Plan. The Annual Plan identifies local needs for housing, public service, and community development.

### What is a CAPER?

A Consolidated Annual Performance & Evaluation Report (CAPER) is a report on the City's accomplishments and expenditures under the CDBG program in the prior fiscal year. It shows HUD and the public that a City is in compliance with HUD program regulations and the objectives in the Five Year Consolidated Plan and the Annual Action Plan.

### Annual Action Plan vs. CAPER

The Annual Plan describes the City's proposed use of CDBG funds for the next fiscal year; and the CAPER describes a City's accomplishments and expenditures during the previous fiscal year. HUD's regulations at 24 CFR 91.215, 91.220, and 91.230 dictate the content of the CAPER requiring both general and specific information concerning the CDBG program.

### Citizen Participation

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The City of Michigan City followed the approved Citizen Participation Plan in proposing and approving activities for funding through the CDBG program. In accordance with HUD rules and regulations, the CAPER was made available for public comment on December 12, 2011 with a public hearing held on December 15, 2011. The final version complete with any necessary changes will be submitted to HUD by December 30, 2011.

The City promotes public involvement in reviewing performance and accomplishments under the CDBG program through a public hearing process and public comment period. Some of the ways in which the City ensures both public involvement and service provider involvement in program planning include:

- Citizens Advisory Committee meetings
- Consulting with service providers;
- Conducting public hearings.

For this CAPER, the City will conduct a public hearing on December 15, 2011 on its performance and accomplishments under the CDBG program (Appendix A – Public Hearing Notice) and also provided the HUD-mandated review period (minimum 15 day period) established by HUD for the submission of comments by the public. The City considers all comments provided at the hearing or written comments submitted during the comment period. Comments are requested to be submitted before December 27, 2011.

## **Goals and Objectives**

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### **What are CDBG’s “National Objectives”?**

The City allocates CDBG funds to eligible agencies and organizations that can provide necessary services to needy residents. Funded activities must meet statute specified “national objectives.” Such objectives are those that will:

- Benefit low and moderate-income persons; or
- Prevent or eliminate slum or blight; or
- Prevent serious & immediate threats to community health & welfare.

The basic goals of Michigan City’s community planning and development programs are to:

- 1) Provide Decent Housing by:
  - Assisting homeless persons to obtain appropriate housing
  - Assisting persons at risk of becoming homeless
  - Retaining the affordable housing stock
  - Making available permanent housing that is affordable to low-income residents without discrimination
  - Increasing the supply of supportive housing for persons with special needs, including persons with HIV/AIDS and their families
  - Providing affordable housing that is accessible to job opportunities
- 2) Provide a Suitable Living Environment by:
  - Improving the safety and livability of neighborhoods
  - Increasing access to quality public and private facilities and services
  - Reducing isolation of income groups within an area through decentralization of housing opportunities and revitalization of deteriorating neighborhoods
  - Restoring and preserve properties of special value for historic, architectural or aesthetic reasons
  - Conserving energy resources
- 3) Expand Economic Opportunity:
  - Creating jobs accessible to low-income persons
  - Providing access to capital and credit for development activities that promote the long-term economic and social viability of the community
  - Establishing, stabilize and expand small businesses
  - Empowering low-income persons to achieve self-sufficiency to reduce generations of poverty in federally assisted public housing.

The CDBG program is currently the only federal formula grant program covered by Michigan City's Consolidated Plan. The CDBG Program provides federal funds to cities to undertake certain kinds of community development and housing activities and activities proposed by the city must meet the objectives and eligibility criteria of CDBG legislation. The primary CDBG objective is the development of viable urban communities, including decent housing and a suitable living environment, and expanding economic opportunity, principally for persons of low- and moderate-income. Each activity must meet one of the three broad national objectives of:

1. Benefit to low-and moderate-income families. (At least 70% of the City's CDBG expenditures must benefit low-and moderate-income residents.)
2. Aid in the prevention of elimination of slums or blight.
3. 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.

### **Assessment of Goals and Objectives**

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The following section presents a summary of Consolidated Plan goals, strategies and objectives achieved within FY 2010 with actual expenditures and accomplishments.

#### **Goal 1: Provide Decent Housing**

The city of Michigan City provided CDBG funds to two non-profit agencies for the purpose of providing families and individuals with decent housing through the provision of first month's rent; security and/or utility deposits. These programs helped to prevent homelessness for low-income families, the disabled, and senior citizens.

North Central Community Action Agency assisted 54 families with first month's rent and/or security deposits to ensure adequate housing for families. Specifically, 54 families were spared homelessness because they avoided eviction or foreclosure. These funds helped 153 adults and children have a place to live. All of the assisted families served by the Rental Assistance Program were 30% AMI. One hundred percent of the persons who received assistance would not have been able to secure housing if it had not been for this program. All persons receiving assistance through this program attended the personal and family budgeting class in conjunction with the Catholic Charities Program.

Catholic Charities through its emergency rent/mortgage assistance program funded by CDBG provided assistance to 78 families comprised of 199 persons. Heads of those households attended the Financial Literacy workshop where they received information on budgeting, goal setting, furthering education, landlord/tenant law, and credit repair.

One of the major programs funded with CDBG funds is the Owner Occupied Rehabilitation Program. This program assists homeowners in repairs that are necessary because of health, safety, and energy issues. Priority for this program is given to the elderly, the disabled, and families with children age 5 and under. The number of housing units completed under this program is four housing units.

The demand for the owner occupied rehab program has skyrocketed in the past year due to unemployment and the increased number of people needing assistance for older homes. This is an expensive program to operate for a variety of reasons, but one of the major reasons is the age of the homes within Michigan City and the deferment of regular maintenance. Since these homes often have deferred maintenance for decades in some cases, there are many serious code issues in the home. During this program year, 2010, there were four homes rehabilitated. The City is reviewing this program and monitoring its progress to determine if there is a more effective way to manage these funds or whether a greater impact could be realized by using these funds in some other activity that benefits more low-moderate income persons.

The waiting list is currently at approximately 36 housing units and as a result, the City of Michigan City has had to close the list until the backlog can be reduced. In most cases, the homeowners are elderly, disabled or both. Housing Opportunities, the subrecipient, has replaced roofs, replaced windows, upgraded electric, provided insulation, made homes handicapped accessible including ramps, bathrooms, and kitchens. In addition, all of these homes received lead based paint clearance thus stabilizing the lead paint that is in all of the homes.

In addition, as a condition of receiving CDBG funding for housing rehabilitation, the applicant must attend housing counseling classes that cover topics such as financial education, budgeting, identity theft, refinancing, and reverse mortgages. These classes provide the basic information to the homeowner to help prevent loss of their home and to reinforce homeowner's responsibilities. Financial education plays a major factor in assisting low income persons manage their limited finances so that they remain in their homes for as long as possible.

The Neighborhood Stabilization Grant has positively impacted the neighborhoods within the target area including the Westside. There have been eight new houses constructed under this program with another four houses under construction. This continues to improve the housing stock in the Westside neighborhood which had been identified as having some of the worst housing conditions in Michigan City.

## **Goal 2: Provide a Suitable Living Environment.**

The City this past year continued to target the Westside in conjunction with the Neighborhood Stabilization Grant (NSP) project area for demolitions of blighted structures. This achieves an ongoing goal of reducing the number of blighted substandard structures in the Westside neighborhood. The Westside has some of the most substandard housing in Michigan City.

In addition, this neighborhood was hard hit by the foreclosure crisis resulting in even more blighted vacant structures. Under the NSP grant, twenty four (24) blighted structures were demolished resulting in a more suitable living environment for the Westside neighborhood residents. In addition, code enforcement demolished six (6) more blighted structures in other Michigan City neighborhoods using non federal funds.

The process for demolishing a blighted structure in Michigan City can be lengthy however a better living environment is the end result as well as an improvement of the general appearance of the neighborhood.

An added bonus of aggressively going after blighted structures resulted in some homeowners choosing to rehabilitate their own homes and bring the building up to code. Approximately ten blighted structures are under reconstruction by their owners in an attempt to bring them up to code and instilling pride in the neighborhood.

Citizens Concerned for the Homeless completed the Grace Learning Center located on the Westside neighborhood which was completed and opened during the 2010 program year. This was a badly needed resource for the low-income Westside neighborhood since it provides computers and resources for adults to get their GEDs and to increase their job skills. As an anti-poverty strategy, this resource and building provides ready access to services without requiring transportation which is problematic for many low-income residents.

### **Goal 3: Expand Economic Opportunity**

The 2010 program year marked some progress across a number of Consolidated Plan goals and objectives.

Training continues for those families chosen for the Homeowner's Rehabilitation Program (OOR). These classes are critical for households to avoid homelessness and stay in their homes. This was post purchase education, and training was given on such topics as budgeting, identity theft, finances, refinancing, and predatory lending practices.

Through the NSP program, there was an increased emphasis on Section 3 hiring. CDBG funds will continue to emphasize in the OOR program the hiring of Section 3 residents whenever possible. In these economic times, many of the residents are unemployed and have skills that could be used in the OOR program such as plumbers, carpenters, laborers, and electricians. The City will continue to support the effort to expand economic opportunity through jobs funded with CDBG funds.

The following items hindered progress towards meeting goals and objectives:

- The City must continue to pursue diversification of grant funding sources as HUD programs are difficult for the City of Michigan City because of the size of the city, it is not large enough to secure additional entitlement funds and is then dependent on securing funds through other agencies. This continues to be a significant problem since the need for services funded by CDBG continues to grow due to foreclosures, and the funding continues to decline for CDBG.
- There needs to be a continuation and increased emphasis on non-profit cooperation and collaboration so that funds can be maximized in the community.
- The demand for services far outweighs the available funds and resources. The City continues to serve only a portion of the persons eligible for services.

- Technical assistance needs strengthening to ensure compliance with subrecipient agreements. This continues to be a high priority with many non profit agencies since lack of understanding of the federal regulations delay projects.
- NIMBYism continues to be a problem when implementing some CDBG programs

The following programmatic changes are proposed as a result of the 2010 experience. Programmatic changes proposed as a result of 2010 performance include:

- Continue to strengthen monitoring activity. Closely evaluate projects where funding is not being expended, and either re-program funding or work with subrecipients, grantees, and community partners to keep the funding moving. Strengthen compliance with established contracts to ensure recipients are following program, policy guidelines, and regulations.
- Continue to monitor the effectiveness of the CDBG programs especially the owner occupied rehabilitation program.
- Continue to partner with other organizations within the community to achieve goals of the Consolidated Plan. Although a considerable amount of work has been done in this area, there is always a need for more.
- Continue to pursue new funding opportunities by partnering with local organizations such as Habitat for Humanity, not for profit housing developers, and banking institutions to maximize the leveraging for the CDBG funds that the City of Michigan City receives. Continue to support and build upon the Homeowner Rehabilitation Program.
- Continued funding for demolition of blighted structures is needed, along with replacement of demolished units with safe, healthy affordable housing especially rental housing.
- Continued emphasis on developing solutions to the increasing vacant housing that has plagued the City of Michigan City.
- The analysis of impediments identified a housing need for the physically disabled as a priority for the City of Michigan City.

### **Beneficiaries**

The Integrated Disbursement and Information System (IDIS) produce a detailed report on the number of beneficiaries served by each of the programs that are funded by CDBG. Although these reports are not the easiest to understand it does provide the detailed information on the income and race distribution of the beneficiaries, the original amount funded and the amount of funds that have been expended. See Appendix B for Year-End Beneficiaries Reports.

### **Geographic Distribution and Allocation**

Michigan City's primary basis for allocating investments geographically is dependent upon the location of extremely low and low-income individuals and families. Michigan City will initially focus on areas with high concentration of extremely low and low-income individuals, paying specific attention to areas that have high concentrations of minorities. Michigan City neighborhoods that fall into this category include: the Westside, Elston Grove, Eastport, Wabash, and Lakeland neighborhoods.

The basis for assigning the priority (including the relative priority, where required) given to each category of the priority needs will be determined by the number and extent of the need of the individuals. One of the most distressed neighborhoods in Michigan City is the Westside neighborhood and particular attention has been given to this neighborhood to redevelop and build upon assets that are there. As a result the City of Michigan City applied and received \$2.8 Million dollars to assist in the redevelopment of the Westside. CDBG funds augment the NSP grant funds in reducing the number of blighted structures in the Westside neighborhood. The Westside continues to receive particular attention because of the large infusion of public funds into the neighborhood. It is hoped that as the neighborhood improves that private investment will increase in the neighborhood.

It is hoped through this infusion of funds that the Westside will attract more diverse ethnic groups than is currently in the neighborhood. There will be new construction that hopefully will entice other persons outside of the neighborhood to reconsider the Westside as a potential neighborhood.

### **Leveraging Resources**

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Limited CDBG funds were used to leverage Neighborhood Stabilization Program grant funds in partnership with IHEDA for the Westside NSP Projects. Funds were allocated primarily for acquisition of foreclosed vacant properties in the hope that redevelopment would occur infusing a new source of taxes and stability to the distressed Westside neighborhood.

### **Addressing Underserved Needs**

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The following actions have taken place to address obstacles to meeting underserved needs:

- **Limited Funding.** One of the largest barriers to meeting underserved needs continues to be limited funding, and a lack of local expertise to either access or implement projects with existing programs. The need continued to increase during this evaluation period and it becomes more and more difficult to provide assistance to those in need when the funds continue to remain the same. Although the City of Michigan City has limited funds, it is important that we continue to educate the persons that receive CDBG funds on budgeting, finance; identity theft and predatory lending practices. It is particularly difficult in a smaller community to provide all the resources necessary to create a safety net for those persons most at need. The City of Michigan City continues to administer the CDBG funds, dedicated to households of lesser resources. These families' needs for energy efficient, safe and accessible housing are disproportionately harder to fulfill without federal assistance due to limited family resources or savings.
- **Lack of Private Investment.** Due to the decline of low-income neighborhoods it becomes very difficult to get private investment into the neighborhood thus limiting the employment opportunities so needed within the community. With the

infusion of NSP funds into the Westside neighborhood, the City hopes to entice the private sector to consider this neighborhood as a possible investment opportunity, especially small businesses. In addition, the City's Redevelopment Commission has invested into the Elston Grove neighborhood on the east side of Michigan City, including streetscape improvements, a new park, and a major improvement to Michigan Blvd. a major thoroughfare through the north end of Michigan City. All of these public investments into the low-moderate income neighborhoods are to lay the groundwork for hopefully private investment.

- **Unemployment Rate.** The unemployment rate continues to be problematic for the residents of Michigan City and the demand for assistance is larger than the resources to deal with it. Funding continues to be a major barrier to providing for those in most need. Like a lot of other Midwestern cities, the job losses here usually translate to an increase in poverty. The poverty rate continues to climb here with almost 1 in 7 people living in poverty. The foreclosure crisis also has negatively impacted Michigan City with 1 in every 33 households in some state of foreclosure.
- **Lack of education/training.** As well documented, a population with limited education has limited opportunity to compete for jobs. In addressing underserved needs, this has to be a major factor in limiting their chances for upward mobility. The City has implemented a Section 3 hiring program which consistently encounters not only low educational standards but a poor work ethic. Without consistent support to learn job skills and to provide counseling on generally accepted work practices the underserved continue to be limited in their progress.
- **La Porte County Plan to End Homelessness (the Plan):** The Home Team commissioned a Plan to End Homelessness which was partially funded through the CDBG program and resulted in a plan to address homelessness within the City of Michigan City as well as La Porte County. The Plan was the result of a major study, the La Porte County Homeless Needs Assessment, that determined that developing and implementing a realistic and federally-mandated 10 Year Plan to End Homelessness should be a priority of the County Commissioners, local units of government and the HOME Team. The Home team, with leadership from the Unity Foundation, hired the Social IMPACT Research Center to develop and write the Plan.

The development of the Plan was comprehensive and involved several stages. The first stage of the development was to draw from knowledge attained from other ground-breaking Plans to End Homelessness being carried out across the country. The second stage of the development was attaining data specific to La Porte County including the City of Michigan City. An environmental scan was conducted to determine other trends such as poverty, housing costs, rental units, and income, that have contributed to the existence of homelessness in La Porte County and that have the potential to impact the success of the Plan.

The Plan harnesses best practices, local realities, and community input to solve a problem that affects far too many lives; those who are at risk of homelessness, those who are experiencing homelessness, and their children, neighbors, friends,

and family. The Plan includes goals in three areas to address homelessness: Prevention, Housing, and Income/Services.

- **Permanent Supportive Housing.** This continues to be a high priority for the City of Michigan City. However establishing a permanent supportive housing project has been slow. A subcommittee of the HOME Team was established to investigate the feasibility of the creation of a men's homeless shelter, other alternatives were explored, including supportive housing for this population. Housing Opportunities, a not for profit housing developer expressed interest in this project, so in conjunction with the HOME Team subcommittee the permanent supportive housing project was presented to the HOME Team where it received approval. Housing Opportunity has identified multiple sites including duplexes and an apartment complex that will be converted into 18 efficiency apartments.
- **HMIS:** Introduction and training on Hoosier Management Information System was conducted. Benefits of HMIS include less duplication of intake and assessment; better coordination of services from the community; track clients of services and outcomes; identify service gaps; generate an unduplicated count of homeless persons and educate policy makers and the community with reliable information. The use of HMIS is a major factor in the Homeless Prevention and Rapid Re-housing grant and two service providers in Michigan City are involved in this grant program: Catholic Charities and Citizens Concerned for the Homeless.

### **Managing the Process**

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The City of Michigan City followed the approved Citizen Participation Plan in proposing and approving activities for funding through CDBG activities.

### **Institutional Structure and Coordination**

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In order to continue to develop an effective institutional structure and enhance organizational coordination, the City of Michigan City worked closely with the following organizations, most of which are members of the La Porte County HOME Team:

- Michigan City Housing Authority
- North Central Community Action Agency
- Michigan Township Trustee
- Stepping Stone
- Michigan City Economic Development Corporation
- La Porte County Juvenile Services Centers (Crowley Juvenile Center)
- La Porte County Division of Family and Children
- La Porte County Council on Aging/Parents and Friends
- Dungarvin Indiana, Inc.
- Barker Woods Enrichment Center
- Bureau of Developmental Disabilities District 2
- VNA Home Care Services
- St. Anthony's Hospice Franciscan Home Care
- The Arbors

- Michigan City Redevelopment Commission
- Michigan City Urban Enterprise Association
- Michigan City Housing Development Corporation
- Catholic Charities
- Michigan City Habitat for Humanity
- Michigan City Homeless Shelter
- Salvation Army
- Real Services, Inc.
- Swanson Center
- Citizens Concerned for the Homeless
- Triad
- Social & Learning Institute
- Michigan Resources
- Goodwill Industries
- Aliveness Project
- Dunes Fellowship House
- Open Door Health Center
- Unity Foundation of La Porte County
- Michigan City Planning Commission
- Michigan City Historic Review Board

The following actions were taken over the last year to strengthen institutional structure and to address housing and community development:

- CDBG Staff will continue to work with the HOME Team to increase awareness of homelessness in Michigan City and to promote coordination of services to prevent homelessness and to assist homeless persons. Some goals have been attained as a result of CDBG Staff working in partnership with the HOME Team.
- The city will continue to provide the technical assistance (facilitation, strategic planning, collaborative grant development support, leadership training) necessary to help agencies continue to collaborate and coordinate to effectively and efficiently provide services to residents.
- The Michigan City Planning and Inspection Department will continue to work closely with the Michigan City Housing Authority on all affordable housing programs and initiatives. The organizational relationship between Michigan City and the Michigan City Public Housing Authority is as follows:
  - a) The Mayor is the appointing official for our Board of Commissioners.
  - b) The Housing Authority has its own personnel policy, contracting procedures, and follows HUD Procurement Policy and Procedures. The Housing Authority does try to keep their personnel policies in line with the City's program.
  - c) It is the practice of this agency to work with the Michigan City Zoning and Planning Departments when proposing new housing development for our community.
  - d) The Housing Authority submits plans to the City for their approval.
  - e) The Housing Authority works with the Michigan City Zoning and Planning Departments to review proposed demolition or disposition public housing units.

## **Monitoring**

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The City of Michigan City CDBG staff monitored CDBG sub-recipients utilizing:

- On-site inspections
- File compliance
- Desk reviews

The City has conducted on site monitoring during the 2010 Program Year of Dunebrook, Housing Opportunities, and Catholic Charities. The on-site monitoring took place at each facility to review files to determine whether income verification documentation was in compliance with the CDBG regulations. Monitoring took place during April, and May of 2010. The City found that the subrecipients who were monitored were in compliance.

In addition, the City on a regular basis does desk reviews of the subreceptients to ensure that they are in compliance with the regulations. The subreceptients funded in 2010 were in compliance with the CDBG regulations.

Monitoring of compliance with Davis Bacon regulations included pre-construction conferences in June of 2010 with the contractor for the Citizens Concerned for the Homeless's Grace Learning Center. On site monitoring for Davis Bacon compliance also occurred during the construction phase.

## **Self Evaluation**

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The City of Michigan City followed the goals and objectives of the Consolidated Plan. It addresses the needs of low and moderate income persons, the homeless, the non-homeless persons with special needs and cooperated with the Michigan City Housing Authority. The City of Michigan City's has followed the national objectives and continued progress toward the original goals of its 2009-2013 Consolidated Plan, as well as implemented the priority activities specified in the 2010 Action Plan.

The highest and most prominent priority of the past year has been the Neighborhood Stabilization Program. This program was designed to positively impact the Westside neighborhood with the addition of new housing and the increased emphasis on demolitions. CDBG funds were used to support both objectives. The Westside neighborhood had some of the worst housing in Michigan City with a high incidence of low-income persons. The funds allowed the construction of new affordable safe housing and demolition of blighted buildings. During 2010 seven new houses were constructed by non-profit housing developers and twenty-four (24) demolitions occurred on the Westside. The positive impact of these actions is beginning to take place. Where the NSP homes were constructed in close proximity the neighborhood is beginning to take on a more positive living environment. The neighborhood has yet to see private investment but the change is becoming noticeable and it is hoped that as the economy begins to improve that the neighborhood will be the recipient of private investment.

One of the major goals of the Ten Year Plan to End Homelessness was to have a more comprehensive approach to homelessness in Michigan City and La Porte County. This continues to be the guiding document for the City in making funding decisions related to homelessness. The progress on the Plan has been slow with the major focus continuing to be permanent supportive housing. Permanent supportive housing was intended to relieve the stress of single homeless men and women living in the rotating church homeless shelter. This has not occurred however, the HOME Team continues to monitor progress in this area. The idea of a men's shelter still continues to be discussed however, NIMBYism is a real factor here in Michigan City limiting the options that the City.

The implementation of the Plan was begun during the past year, with subcommittees created to address key components of the Plan including addressing homeless prevention goals; achieving housing goals; and income and services goals. It also includes action steps to achieve the goals. The process of creating the homelessness plan also opened dialogues between service providers that hadn't occurred in the past thus identifying specific needs in the community that were not being met. The City of Michigan City CDBG program was an active player and key component in this process.

Catholic Charities and North Central Community Action Agency funded through CDBG funds help alleviate homelessness through their programs. Without these programs more persons would fall into homelessness so prevention is critical. Lack of funds continues to limiting the amount of assistance provided.

There are four completed rehabilitated homes as a result of the Homeowner Rehabilitation Program. The demand for homeowner rehabilitation is high in Michigan City due to the age of the houses and lack of resources of many Michigan City households. A substantial number of the applicants are elderly on fixed incomes, disabled or both. This program is finally beginning to become a smoother process so that more households can be served. This program currently has a waiting list of two years.

Preventing homelessness continues to be a top priority of the CDBG program in Michigan City. The HOME Team discussed previously continues to grow in strength, knowledge, and coordination of agencies. This community HOME Team meets to determine action steps for dealing with homelessness including determining the action step require; responsible entities; updates on the status/results; and determining how the HOME Team will know when they have achieved their goal. Goals attempt to be comprehensive in nature and deal with the homelessness issue at several different levels and perspectives. The diversity of the HOME Team participants continues to be one of its greatest strengths.

Training continues to be an on-going process for staff and certain training needs have been identified specifically training on environmental and URA regulations. As training opportunities become available, the City's CDBG staff will take advantage of them.

### **III. Housing**

#### **Fair Housing**

Michigan City Fair Housing Ordinance was passed in 1969 and generally provides protection from discrimination in the sale, rental, leasing, and financing of housing because of race, color, religion, ancestry or national origin. The ordinance also establishes a Commission on Human Relations which has the power to investigate complaints of discriminatory practices and enforce necessary actions when practices are deemed unlawful.

#### **Michigan City Human Rights Ordinance**

Michigan City's Human Rights Ordinance provides protection from discrimination and segregation in not only housing, but in education, employment, and access to public accommodations as well. Housing related practices are similar to those outlined in the Federal Fair Housing Act and the Indian Fair Housing Act. All protected classes are included in this ordinance including the disabled and familial status. A Human Rights Commission was also established to investigate and enforce penalties relating to unlawful discriminatory practices.

#### **Analysis of Impediments to Fair Housing Choice (AI)**

The City of Michigan City updated its Analysis of Impediments to Fair Housing during 2010 to better address impediments. Impediments include:

- Allowable densities and location of multiple family units. The City of Michigan City updated its zoning ordinance which has encouraged allowing multi-family units in greater areas of Michigan City. This historically has met with much resistance here although the need continues. The Community Development Office will continue to advocate for greater densities within Michigan City limits.
- NIMBY attitudes continue to be a problem when promoting new low-income housing development. Although NIMBY attitudes continue to be a problem in Michigan City the new construction of single family homes with NSP funds has made some headway into showing what affordable housing can look like. The NSP houses have received positive feedback. In addition with the new construction of single family homes, new streetscape has also been well received.

General barriers to the development and provision of affordable housing are as follows:

- Affordable deposits, Utility connection/Reconnection Fees, High Late Rent Fees
- Michigan City Housing Authority must pay fees to the city for capital projects.
- Income bracket cut off levels. There needs to be some sort of a graduated reduction in service as income increases instead of an immediate cut off once a family reaches the maximum income level.
- Need for unity and civic pride among Michigan City neighborhoods in order to help remove the stigma associated with "affordable" housing.
- Residents prefer new apartment style developments over scattered site rental units.

- There are financial barriers to persons desiring to purchase their home, and/renting an affordable home.
- High utilities also are a barrier to the provision of affordable housing since energy efficient housing is difficult to find.
- Lack of and access to funding for new construction of affordable housing units.
- Need for more job training and economic opportunities for low-moderate income persons.

Michigan City has been taking the following actions to help address the barriers listed above:

- Identify specific steps that will be taken to strengthen the fair housing aspect of community revitalization activities in poorer neighborhoods through equalizing services, revising displacement policies and procedures a, initiating or strengthening agreements with banks and other lending institutions subject to CRE, creating job-housing and education-housing linkages in and outside neighborhoods.
- The Citizens Advisory Committee (CAC) in their regular meeting discussed barriers to affordable housing. The CAC is composed of non- profit housing providers, Funders, neighborhood representatives, public housing residents, and representatives from the disabled and elderly communities. As these representatives begin to meet more often, and become more familiar with the Fair Housing laws, expansion of training to landlords, property managers, and real estate professionals can occur. The CAC will continue to address analysis of impediments in the future to identify and articulate impediments that exist in Michigan City as it relates to fair housing choice and subsequent education.
- Offer a first-time homebuyer classes and education program about loan requirements and budgeting to assist applicants in understanding how to improve their probability of receiving a mortgage loan. Many of the persons desiring a home have credit and budgeting issues that prevent them from successfully getting into a home and staying there once they have the home. CDBG funds have been allocated to self-sufficiency training to help assist persons with these issues.
- The City should promote contextual planning of new affordable housing with relationship to scale, size, density, and architectural character of the neighborhoods where it will be located.
- In addition, with the rising price of oil, utilities are costing more than an extremely low income family can afford. This is becoming more and more of a concern not only for future homeowners but also for current homeowners struggling with rising utility bills on a fixed income. CDBG has assisted homeowners and renters with utility assistance and also with housing rehabilitation assistance to address energy costs.
- The North Central Community Action Agency and Catholic Charities are currently working to off-set the cost of deposits, utility connect/reconnection fees, high late rent fees by paying deposits and offering one time emergency assistance payments respectively, The Michigan Town ship trustee also offers financial assistance to low-income renters.

- Housing Opportunities counseled persons on self-sufficiency and credit problems. They also train them on predatory lending practices that sometimes results in evictions from housing or making it less affordable for the long term.
- The city has adopted a revised Zoning Code. The Zoning Code looked at the following recommendations:
  - Zoning ordinances will be updated to make it consistent with current planning objectives
  - Flexibility in zoning will be evaluated for feasibility
  - Promote the need for workforce housing
  - Support the provision of affordable housing through a broad and comprehensive strategy to address housing affordability by closely examining the causes of that problem and a variety of targeted approaches address those causes.
  - Community Development encourages the use of zoning to accommodate mixed uses within neighborhoods.
  - Encourage infill and redevelopment. This is occurring on the Westside Neighborhood as a result of NSP funds.

### **Affordable Housing Objectives**

Three programs assisted persons with obtaining or keeping affordable housing. The goal for the Homeowner Rehabilitation Program is to keep people in their housing and to keep it affordable. There were nine housing units that were assisted with rehabilitation funds to increase energy efficiency, and to provide safe affordable housing.

During this grant year, Catholic Charities gave financial assistance to 78 families comprised of 199 individuals, to prevent eviction or foreclosure. Thirty six families had single female heads of household. All of the households attended a self-sufficiency workshop, where they learned budgeting, goal-setting, how to pay for a college degree, credit repair, landlord/tenant law, HUD home ownership opportunities and more. Additionally, 98 household heads were referred to the workshop by the Michigan & Coolspring Township Trustees, the Michigan City Housing Authority and the North Central Community Action Agency.

The Rental Assistance Program operated by the North Central Community Action Agency has an actual accomplishment of assisting families to secure decent, safe, and sanitary housing with security deposit and/or first month's rent assistance. Housing assistance, rental assistance, security deposits and education were the cornerstones of these two programs.

### **Public Housing Initiatives**

Public housing initiatives in the city of Michigan City are administered by the Michigan City Housing Authority (MCHA). The MCHA currently provides affordable rental housing opportunities through 177 public housing rental units and 251 Housing Choice Vouchers. The public housing units are broken down as follows: 100 efficiency and one

bedroom apartment units for the elderly handicapped and disabled; 27 scattered site rentals homes with 1-5 bedrooms for individuals and families; and 50 townhouse rentals for families. MCHA units are all in good condition and almost 100 % occupied. The activities of the Michigan City Housing Authority are consistent with the objectives and goals of Michigan City's consolidated Plan, and as such, the city issued a Certificate of Consistency to the housing authority for the Housing Choice voucher Family Self-sufficiency program and the Public Housing Self-Sufficiency program.

### **Lead-Based Paint Hazards**

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The following actions have been taken to evaluate and reduce lead-based paint hazards in Michigan City:

- The City of Michigan City contracted with an environmental firm to provide professional environmental services related to any CDBG project. This contractor provides lead based paint testing services and provides technical assistance to Housing Opportunities on homes containing LBP. LBP continues to be a high priority for the City of Michigan City since most of the homes in Michigan City contain LBP. All homes under the Owner Occupied Program are given a preliminary assessment and followed with LBP clearance following construction work. There were 4 homes that received LBP clearance during 2010.
- Most of the efforts have been focused on the older inner-city areas of Michigan City because that is where the highest concentration of homes with lead-based paint hazards is located. Lead-based paint hazard reduction is and will be integrated into housing policies and programs by making it mandatory for organizations seeking funding from the (CDBG and other sources) to partnering with agencies to evaluated lead-based paint hazards and to reduce lead-based paint hazards prior to receiving funding.
- Priority is given to those families that have children under the age of six in the Owner Occupied Rehabilitation Program so that LBP can be stabilized for those families most at risk for LBP blood levels.

## **IV. Special Needs**

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### **Homeless Intervention and Prevention**

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Michigan City's strategy for helping low-income families avoid becoming homeless; is basically three categories.

**Homeless Prevention Goals:** Preventing people from becoming homeless is one of the most effective ways to end homelessness in Michigan City. Through homeless prevention, individuals and families at risk of homelessness are targeted to receive assistance to maintain their housing. The objectives are as follows:

- Increase access to and funding for financial assistance
- Prepare clients to meet with township trustees to apply for Township Assistance.

- Enhance the importance of person financial literacy.
- Prevent those being discharged from health care settings from becoming homeless
- Prevent those being discharged from jails/prisons from becoming homeless.
- Create enough permanent supportive housing to accommodate those persons who are chronically homeless in Michigan City.

**Housing Goals:** One of the major causes of homelessness is the lack of housing options and capacity to meet the needs of different populations. For a homeless system to be effective, individuals and families must be moved out of homelessness and into appropriate housing as quickly as possible. The objectives related to this goal are as follows:

- Shelter people during unforeseen emergencies and rapidly re-house them.
- Immediately house people who are being discharged from facilities and stabilize them in the community.
- Have an adequate supply of permanent supportive housing for disabled populations.
- Increase the amount of adequate, affordable, and safe housing available.
- Organize and increase funding streams to better support Plan to End Homelessness housing goals.
- Increase the amount of permanent supportive housing options available to those individuals who are chronically homeless.
- Increase funding to support low-income housing for single females living on limited or fixed incomes.

**Income and Services Goals:** Building the infrastructure of the homeless system, such as increasing supportive services as well as increasing income and access to income supports for people with low-incomes is essential to ending homelessness. Specific objectives include:

- Make accessing services easier for clients
- Increase employment opportunities
- Increase access to income supports
- Increase quality of client data through HMIS-the integrated client tracking database
- Increase access to transportation
- Continue to monitor and update services based on population needs
- Increase access to health services

In the past year, the city worked with

- Homeless providers to address emergency shelter and transitional housing needs of homeless individuals and families by improving the linkage between services at every stage while continuing advocacy, outreach, and education efforts.
- Members of the La Porte County HOME Team to prevent low-income individuals and with children (especially those with incomes below 30 percent of median) from becoming homeless by educating owners, renters, and managers involved in real estate to maintain the quality of decent, safe, and affordable housing.

- Providers and the housing authority to provide vouchers whenever possible to help homeless persons make the transition to permanent housing and independent living.

In order to improve the above strategies and seek additional funding, Michigan City service providers are part of a Continuum of Care (CoC). According to HUD a Continuum of Care is an approach that helps communities plan for and provide a full range of emergency, transitional, and permanent housing and service resources to address the various needs of homeless persons. Michigan City is currently part of Region 1 of the State of Indiana's Continuum of Care. Region 1 includes Lake, Porter, La Porte, Newton, Jasper, Starke, and Pulaski Counties.

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

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The city has been working with the La Porte County HOME Team to include input from mental health and disability service providers as they develop a holistic approach to addressing homelessness, transitional housing, supportive services, and permanent affordable housing needs in Michigan City, La Porte, and La Porte County.

In addition, Dunebrook provided a public service to families at risk for child neglect called Community Partners Program. This program supported at risk families through counseling sessions and support. Thirty-four families (100%) served by the Community Partners Program were 0-30% MFI. Twenty-three were female heads of household.

### **Anti-Poverty Strategy**

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It is important that communities develop strong systems of response and actively plan to address the needs of those both facing homelessness and those at risk of becoming homeless. The increase in the number of people living in poverty in Michigan City and La Porte County is significant to address. With the advent of the Plan to end Homelessness, the City is developing solutions and taking the necessary steps to be proactive and make a deep impact on the factors that cause homelessness including an anti-poverty strategy. Because of the economic downturn, the number of individuals in poverty is expected to increase.

Children and single adult-headed households are disproportionately impacted by poverty. One in four children lives in poverty and households headed by single mothers have the highest poverty rate of any household type at 15.1 percent. Dunebrook's Community Partners family support workers had 34 unduplicated families in home visitation services from the City of Michigan City. These families either do not have permanent housing or are not employed. The family support workers help the families on setting goals overcoming barriers to these goals. The family support worker also had home visits with 15 other families at 100% poverty level from Michigan City.

The shift from goods-producing to service-providing industries can be troubling because of the significant wage disparity between the two industries. The service industry is

playing vital role in bringing new jobs to the county; the challenge is that the majority of these service industry jobs do not pay a livable wage that allows a family to be self-sufficient. Without wages that are adequate to pay for housing, people rely on the social service system to make ends meet.

The La Porte County HOME Team is currently responsible for promoting and enhancing better coordination of programs and services for low-income residents of Michigan City. Members of the La Porte County Home Team include homeless service providers, the Michigan City Housing Authority, health providers, the city, and Funders. The Self-sufficiency group of the HOME Team identified the top five life issues as barriers to self-sufficiency, they are: Education, Energy, Nutrition, Substance Abuse, and Transportation.