Measuring Affordable Housing Opportunities:
An evaluation study of block grant funds utilized and leveraged in Flint, Michigan
[1998-2002]

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ABSTRACT

This is a five-year study [1998-2002] of the Sources and Uses of City of Flint Block Grants. The three types of Block Grants are Emergency Shelter Block Grants [ESG], Community Development Block Grants [CDBG] and HOME Investment Partnership Block Grants [HOME].

Sources are determined through data provided via a HUD mandated report titled the Action Plan. Sources consist of annual New Allocations, Program Income and Reprogrammed funds. These Sources are summed and evaluated for each of the five years, and for the five-year total.

Uses are determined by data provided by the Action Plan(s) and another HUD mandated annual report titled the Comprehensive Annual Performance and Evaluation Report(s) [CAPER]. Uses are summed and evaluated for each of the five years, and for the five-year total. Specific categories of Use are also reviewed and analyzed, with emphasis placed on Use for Housing Activities. Uses per individual sub-grants (the City of Flint is considered the Grantee) and summed totals are compared and analyzed for discrepancies. The discovery of inconsistency in naming conventions and errors in mathematical computations, necessitated a mid-step of standardizing the data available from the public documents. Accurate knowledge of Use of Block Grant Funds was not possible utilizing only the public documents.

The City of Flint Block Grants are then compared with Michigan State Housing Development Authority [MSHDA] grant awards made during this same time period, for Housing Activities, to Flint area organizations. These MSHDA grants are considered to be a means of increasing the funds available for Housing Activities, which is known as leveraging. Analysis is provided regarding City of Flint Block Grant leveraging of MSHDA dollars. Recipients receiving City Block Grants for Housing Activities only leveraged nine percent of these dollars with MSHDA funds.

An analysis of final Use of Block Grants for Housing Category is provided through a review of CAPER reports to determine changes made in allocations and funds expended, and/or balances remaining unspent. The recipient demonstrating the greatest change between allocation and use of Block Grant funds for Housing Category is the City of Flint as the recipient. During this five-year period, the City of Flint consistently under-utilized the funding it allocated to itself.

Comparison of stated Consolidated Plan priorities to actual allocations is attempted but the City of Flint methodology and allocation categorizations preclude the possibility of any relevant comparison and analysis.

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Shelter is one of the three basic human needs, and a responsible society has an obligation to prevent people from dying out in the cold. (Orlebeke, 2000, p. 489)

I. Introduction

In this year of 2003, it is generally acknowledged by the American public that it is a basic human right to have the opportunity to live in safe, sanitary and affordable housing. During the past one hundred and fifty years of United States history, numerous organizational, institutional and governmental mechanisms have evolved for the provision of housing programs for low-income individuals and families. A major source of funding for these programs is provided by the federal government which allocates the dollars in a pass-through system for administration by state and local governments. The funds are provided via two main Block Grant programs: Community Development Block Grants [CDBG] and HOME Investment Partnership [HOME].

The City of Flint (State of Michigan) is one local government receiving annual allocations of CDBG and HOME. This study will examine Flint during a five year period [1998-2002] to determine: 1) total allocations made for housing programs, 2) the types of programs funded and levels of financial support, 3) the geographic areas specified for program activities, 4) which entities (or subrecipients) received the grants, and 5) which entities leveraged[1] the City of Flint Block Grant dollars with available state funding[2].

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[1] Leverage – increased means of accomplishing some purpose. [In the context of this study, taking advantage of Flint's Block Grant Funding to apply for the dollar-for-dollar match available from MSHDA.]
[2] The State of Michigan Housing Development Authority [MSHDA] has available a dollar-for-dollar match or leveraging for local Block Grant funds.

II. Literature Review

THE BEGINNINGS OF REFORM (CIVIL WAR TO WWI)

Public recognition of the problems of the poor and awareness of housing as a basic need in society manifested itself long before government intervention began to address this issue in America. Drier (1997) noted the following:

> Beginning in the mid-1880s, rising immigration, growing cities, and increasing labor exploitation led to urban slums. The poor typically lived in unsafe, unsanitary, poorly constructed, over-crowded tenement housing. Philanthropists worked with middle-class reformers to investigate and expose the suffering of slum dwellers. They formed private committees and task forces to conduct firsthand studies. They wrote magazine articles, reports and books (such as Jacob Riis's *How the Other Half Lives* in 1890) to inform the public about the squalid conditions of slum life. But they did more than study the slums; they acted. . . these early philanthropists sought to address this problem in three ways: improving the behavior and values of the poor living in the teeming slums, building model tenements, and pushing for government regulation of slum housing. (p. 238)

According to Drier, the motivations of these philanthropists and social reformers were complex. Some held religious beliefs regarding alleviating the suffering of the poor, others saw the slums as breeding grounds for riots and civil unrest. Drier (1997) comments, ". . . it was the draft riots of July 1863 that led the Council of Hygiene of the Citizens Association, an upper-class organization, to launch a campaign to improve housing and sanitary standards in New York City (Lubove 1962)." (p. 238). Some reformers viewed slum clean-up as necessary to stop crime and diseases from spreading to the more affluent sections of the city. One wealthy philanthropist from that period warned that the tenement slums were "the nurseries of the epidemics which spread with certain destructiveness into the fairest homes." Drier (1997) also stated:

> As Wright (1981, 128) notes in *Building the Dream*, 'housing reformers saw themselves as a moral police force, using environmental change to enforce propriety.' As early as 1843, wealthy merchants and business owners formed the New York Association for Improving the Condition of the Poor (AICP) to clean up the slums and the 'disease, vice and crime which seemed to characterize their inhabitants' (Lubove 1962, 4). . . . The charitable impulse was mixed with upper-class paternalism which viewed poverty as rooted in the defective character, laziness, or ignorance of the poor themselves. The reformers objective was 'the elevation of the moral and physical condition of the indigent' (Lawrence Vellier, cited in Lubove 1962, 4). (p. 239).

Depending upon differences ". . . in ideology and worldview regarding the role of private wealth, of government, and of the causes of poverty itself" Drier concluded that the efforts of private philanthropy to address the housing crisis took three directions: (1) the creation of poorhouses and settlement houses (the "caregiving" approach), (2) the sponsorship of "model tenements", and (3) the reformation of public policy to ". . . give government a stronger role in regulating housing conditions and providing subsidies to house the poor." (p. 237).

While settlement houses did not actually provide living quarters, they offered many and varied classes, activities and services which sought to "Americanize" the poor immigrant residents who populated the slums. Acknowledging settlement houses as the forerunners of modern-day social service agencies, Drier (1997) states:

> These early reformers—volunteer women, nurses, and social workers—often visited people in their slum apartments and offered suggestions for improving personal hygiene, cooking meals, housekeeping, raising their children, and even how to dress. These activities were part of what was variously called 'friendly visiting,' the 'domestic science' movement, and 'scientific charity' (Ehrenreich 1985; Katz 1986). (p. 239)

Model tenements were mostly sponsored by housing reformers who rejected the idea that local government should build and manage housing for the poor. Although government-sponsored housing was gaining popularity in Western Europe, the prevailing view of American philanthropists was, "it's bad principle and worse policy" (p. 239) for municipalities to spend public money in competition with private enterprise to house the masses. Renouncing government-sponsored housing as "socialist" (p. 239), wealthy housing reformers and private investors created "model tenements". According to Drier (1997):

> Unlike company towns and company-owned housing, these were not directly linked to the profit-maximizing interests of a particular employer. Unlike slum housing owned by speculators, they were not operated to squeeze every penny of profit out of their investment. Instead, these were limited-dividend organizations, seeking a modest profit. This movement was thus known as 'philanthropy and 5 percent' or 'investment philanthropy' (Birch and Gardner 1981; Lubove 1962, 104). The organizers viewed their activities as a business, not charity. They charged market rents, but they took pride in the higher quality of the model housing. Lubove explained that 'model tenements, sound investments rather than speculative adventures, might reap diminished profits but investors would be rewarded by the pleasure of having served the poor' (Lubove 1962,8). (p. 239-40).

Some philanthropists and reformers of this time period even constructed model housing developments on the city's outskirts and suburbs. Some examples cited (p. 241) by Drier include: 100 two-flat dwellings built for black families in Washington, D.C. (a project led by former Surgeon General George Sternberg who organized the Sanitary Housing Company); 116 small cottages constructed for the "substantial workingman" in Boston (built by the Workingmen's Building Association, a limited-dividend corporation created by wealthy philanthropist Robert Treat Paine); and over 11,000 units created in New York City by the largest limited-dividend corporation, the Suburban Homes

Company. These units included a subdivision in Brooklyn, a Hotel for Women and two developments for black families.

Influencing public policy was another strategy that philanthropists and reformers utilized to improve housing for the poor. Acknowledging that the number of model tenement housing units produced were miniscule compared with the housing needs of the poor, most housing reformers began to push for stricter government regulation of privately owned housing. According to Drier (1997), one of the most effective reformers was Lawrence Vellier who organized private committees and municipal task forces to expose the problems and pressure local governments to adopt building, fire, health and safety codes. Vellier and his followers also pushed local and state governments to set up agencies to inspect buildings and enforce the codes. Forming watchdog groups comprised of wealthy and influential members, the reformers "dueled with lobbyists for builders and landlords" and successfully applied so much political pressure that in 1893 Congress asked Carroll D. Wright, commissioner of the U.S. Bureau of Labor to do a statistical study of slum conditions in Chicago, Baltimore, and New York.

Drier (1997) states, "...Vellier's work sparked a national housing reform movement" (p.243). Obtaining a grant from the Russell Sage Foundation, in 1910 Vellier formed the National Housing Association. This organization held annual meetings, published pamphlets and sponsored a quarterly journal, *Housing Betterment*. In Drier's (1997) opinion, "To this day, the enforcement of housing codes and the strengthening of existing standards are a key battleground in the struggle for decent housing" (p.244).

During the Progressive era, creation and enforcement of housing and safety codes made some progress towards improving housing for the poor, but as reformer Edith Wood observed, housing regulation "may forbid the bad house, but it does not provide the good one" (p. 244). Some housing reformers of the time period were also willing to acknowledge shortcomings of the caregiving and model tenement approaches. Drier (1997) notes:

> Many model tenements turned into slums because working-class people could not pay sufficient rent to guarantee even a modest profit to the investor philanthropists. Similarly, stricter housing code standards, while improving the physical condition of buildings, led builders and landlords to set rents beyond what many workers could afford. Some kind of government subsidy was required to fill the gap. (p. 244)

Even though there were a few societal voices advocating for federal subsidy for housing, significant government intervention didn't occur until the Great Depression. In order to fully comprehend federal involvement in housing, starting with President Roosevelt's New Deal, it's necessary to examine the history and evolution of federal aid and funding mechanisms.

Revenue Sharing and Grants-in-Aid

Prior to the 1789 Constitution, the Continental Congress had to rely on the original 13 states for its revenue. The Constitution gave the federal government the right to levy taxes directly on U.S. Citizens through tariffs, excises, and property taxes. This made the federal government a stronger taxing authority than the states. It also gave the federal government ownership of all public lands (nearly all land outside of the original 13 states, and Kentucky and Tennessee) and the right to sell this land (Levy & De Torres, 1970).

Funding for housing and other programs has evolved over the years into a complex system, with some funding provided directly from the federal government, other federal funds being accessed via a pass-through system to states and local government, and some funding being directly provided by state and local taxes (Martin, 1965; Mushkin & Cotton, 1969; Nathan, 1978). According to Levy and De Torres (1970) :

> The term *revenue sharing* can be used very broadly to designate any flow of funds from one government to another, that is, any type of grant. There are at least four basic types of grants: specific conditional [categorical] grants, specific unconditional grants, general conditional grants, and general unconditional grants. Specific grants are provided for a specific purpose such as education . . . General grants are designed to bolster the finances of a government without detailed specifications as to their use. Either type of grant may, or may not, have conditions attached to it that have to be met by the receiving government, such as administrative requirements or matching requirements. As commonly used at present, *revenue sharing* refers to general grants, with either no, or relatively few, conditions attached. . . . In general, every flow of funds from one government to another is referred to as a *grant*. (p. 1)

A study by the U.S. House Committee on Government Operations (1978) defined a Grant-in-Aid as the payment of funds by one level of government to be expended by another level for a specified purpose, usually on a matching basis and in accordance with prescribed standards and requirements. Mushkin and Cotton (1969) observed:

> . . . . grants-in-aid are a type of leverage the federal government has employed to modify the actions of state and local governments toward more consistency with national values. Generally speaking, the leverage produced by a given grant lowers the relative price of implementing a specific program, and this enhances the attractiveness to the state of

> carrying out programs at levels considered desirable by the federal government. (p. 31)

Historical Review of Federal Aid

The U.S. House Committee on Government Operations (1978) traced the beginnings of federal aid back beyond the Constitution to the Ordinance of 1785, "by which the Congress of the Confederation dedicated a section of every township in the Federal domain for the maintenance of public schools" (p. 21). In 1836 a form of money grant was apportioned as loans to the states when a cash surplus occurred in the United States Treasury. There was no expectation of repayment on these loans.

Levy and De Torres (1970) and the U.S. House Committee on Government Operations (1978) credit the passage of the Morrill Act of 1862 as setting grant-in-aid political precedent for several reasons. The Act established land-grant agricultural colleges. The objectives of the grant were specific, with conditional requirements including submission of annual reports to the federal government. The grant also specifically restricted the use of the funds to salaries of instructors. Additionally, in order to receive the grant, states had to raise money to construct the buildings for the agricultural college. Levy and De Torres (1970) commented, "In this sense, the grants under the Morrill Act became the forerunners of the later 'matching grants,' which require a state to match Federal funds with state funds in a set proportion in order to qualify for the Federal assistance" (p.4).

Total cash grants to states began in 1879 with the introduction of a grant to provide educational materials for the blind and in 1887 another annual grant was provided in order to help states establish agricultural stations. The U.S. House Committee on Government Operations (1978) noted:

> The passage of the Smith-Lever Act in 1914 is usually regarded as the beginning of the modern grant period. This program, providing for cooperative agricultural extension work, introduced such new features as an apportionment formula, equal State matching of the Federal grant, and advance Federal approval of State plans. Similar conditions were attached to the much larger highway program established 2 years later. (p.21)

Housing as a National Objective

Even though a 1883 Congressional Committee had conducted an investigation of slum conditions in our nation's large cities, the federal government didn't really intervene in housing issues until the Great Depression. Listokin (1991) remarked:

> The United States was a late and reluctant entrant in assuming some responsibility for providing lower cost housing. Great Britain, for instance, adopted a large-scale, government-aided housing program after World War I. In this country, there was little support for such a role, especially in light of the vigorous private housing production in the 1920s.
> With the advent of the Depression, the housing boom went bust. Housing starts plummeted to under 100,000—a drop of 90 percent from the 1920s peak. Mortgage foreclosures soared to 1,000 daily, and half of the country's homeowners were in default. These shocks goaded the nation into action. (p. 159)

President Roosevelt's administration responded to the housing issues as part of his New Deal approach to the nation's economic problems. Programs and agencies were created to both stabilize the financial industry and to foster residential construction, with its attendant employment benefit. Agencies created during this time period included, the Federal Home Loan Bank, the Federal Housing Administration, the Federal National Mortgage Association, and the Federal Savings and Loan Insurance Corporation. Listokin (1991) observed that the programs created were mostly market-oriented, ". . .such as FHA Title I guarantees for home repairs, and FHA Section 203 insurance for home mortgages" (p. 159). Both federal subsidy and federal production programs were initiated as part of the New Deal, to "...provide shelter and to pump-prime the economy and employment" (p. 159). One subsidy initiative to produce lower cost housing was initiated just prior to Roosevelt's election in 1933. During President Hoover's administration, the Relief and Construction Act of 1932 authorized the Reconstruction Finance Corporation (RFC) to make loans to low-income and slum redevelopment housing corporations. Housing production was implemented via the 1933 National Industrial Recovery Act which authorized the Public Works Administration to construct lower cost housing. Listokin (1991) reports:

> Ultimately 40,000 such housing units were produced. This effort ended however, when the United States Court of Appeals declared the PWA's use of eminent domain powers for low-cost housing and slum clearance to be unconstitutional.
>
> That decision proved only a temporary setback. The 1937 Housing Act created the landmark public housing program. Instead of intervening directly, the federal government would assist local public housing agencies that had eminent domain powers. Aid would be provided in the form of capital grants and loans, with a capital subsidy commitment being made in the form of an Annual Contributions Contract paying principal and interest for as long as 60 years (later reduced to 40 years). With financing support, rents could be lowered to cover only the housing's operating cost. Public housing developed into a landmark effort to house the poor. At first, this meant the "working poor"—those whose circumstances did not

> allow them to afford privately produced housing; over time, public housing was directed to the most disadvantaged. (p. 160)

The Roosevelt administration also utilized grants to states and localities as a means of "prime pumping" the economy, while also addressing national needs. While these were considered "emergency" grants administered mostly through the PWA, they were mostly general grants in the sense that the authorizing legislation did not specify their purpose. While the grants were used mostly for public works such as parks, sports stadiums and construction of school buildings, the philosophic justification and administrative mechanisms stipulated set precedence for future federal grants which addressed housing issues. Levy and De Torres (1970) observed:

> Although the bulk of New Deal grants were general grants, or rather "emergency" grants, once the immediate requirements of coping with the depression were over, the Roosevelt Administration initiated several important specific grants and expanded others, such as aid to highways. . . . The Roosevelt Administration also produced an important rationalization for specific grants. It was argued that in a modern industrial economy, many expenditures of state and local governments have important national consequences (of the kind currently termed 'spillover' effects). However, any particular state or local government is not likely to benefit fully from these favorable consequences. Hence, it would be willing to provide only as much of the government service as directly benefited its own constituency without taking into account the favorable spillover effects that benefit surrounding communities and the national economy. Therefore, in these cases the level of services provided would fall short of the nationally desirable level unless the Federal Government provided financial support. . . . Specific grants were viewed as a valuable tool for bringing other public services up to the nationally desirable level by reducing the direct cost to state and local governments. Thus, by 1946, the political precedent for specific grants, as well as the economic rationalization of their function, had been established. (pp. 6-7)

Drier (1997) concluded that tenement reform laws had set the precedent that local government would set standards and regulate housing safety. The public housing program and banking reforms established the federal government's role in expanding homeownership and providing subsidies to the poor. He remarks, "All housing policy since then has been a variation on these themes" (p.245).

Landmark 1949 Housing Act

Even during World War II Congress was investigating ways to alleviate slum conditions. Facing a severe postwar housing shortage, the federal government began to involve itself more heavily in housing issues. In 1945 a Congressional report, *Postwar Housing*, proposed "the establishment of a new form of assistance to cities in ridding themselves of unhealthful housing conditions and of restoring blighted areas" (Listokin, 1991, p. 160). Congressional debate on these issues lasted from 1945 to 1949 and resulted in the 1949 Housing Act which is best remembered for its declaration that every American "deserves a decent home and suitable living environment". Lang and Sohmer (2000) explain:

> Congress linked the health of the nation to its housing quality. As the act states in its preamble: 'The general welfare and security of the Nation and the health and living standards of its people require housing production and related community development sufficient to remedy the serious housing shortage, [and] the elimination of substandard and other inadequate housing through the clearance of slums and blighted areas....' (p. 293)

According to Lang and Sohmer (2000), prior to the 1949 Housing Act, federal involvement in physically shaping cities was unknown. Slum removal became more than just a local matter. The federal government began to both manage and fund "city-building" projects. In their opinion, this Act left an enduring legacy whereby most Americans now "...accept the idea that the federal government has some legitimate role in local housing and development issues" (p. 293).

Numerous key programs were established under the collective program title of urban renewal (Listokin, 1991; Lang & Sohmer, 2000) including: Title I which authorized $1 billion in loans and $500 million in grants to aid local slum clearance programs (i.e., land costs would be written down with federal assistance); Title II which increased the FHA mortgage insurance authorization; Title III which expanded the Public Housing Authorization to a total of over 800,000 units; and Title V which allowed the Farmers Home Administration to grant mortgages to encourage the purchase or repair of rural single-family homes.

During the 1950s the urban renewal emphasis was on removing deteriorated units (slum clearance) with only minor federal assists for housing production. In 1953 the Advisory Committee on Government Housing Policies and Programs recommended that redevelopment activities be broadened to include rehabilitation of existing structures. According to Listokin (1991):

> . . . the 1954 Housing Act broadened urban renewal from mere demolition and new construction to encompass housing rehabilitation, and the prevention of neighborhood decline. This act also authorized Section 220 and Section 221 FHA insurance for housing in urban renewal neighborhoods. Fannie Mae was created by the federal government to provide 'special assistance functions (purchases)'. (p. 161)

The 1954 Act also set an important precedence of matching requirements for these types of programs. These matches would be required in many future federal grants. The U.S. House Committee on Government Operations (1978) reported:

> The 1954 Housing Act authorized Federal assistance to local communities not in the clearance and redevelopment of slum areas as originally provided, but also to help them in preventing the spread of slums and urban blight through the rehabilitation and conservation of blighted and deteriorating areas. Federal financial assistance is provided in the form of survey and planning advances, loans, and capital grants. . . Localities are required to match these funds with at least one-third of the net costs, either in cash or in the form of land donations, public facilities such as school buildings, or other public improvements which are of direct benefit to the project. (p. 17)

There were some unexpected consequences of urban renewal and the demolition of older houses. These programs were intended to relieve a housing shortage but they led to more units being torn down, than were built. Frieden and Kaplan (1975) estimate that between 1949 and 1963 urban renewal demolished the housing of 177,000 families and another 66,000 single individuals, ". . . most of them poor, and most of them black" (p. 24). Redevelopment consisted of 48,000 new housing units, with another 18,000 under construction with only 20,000 of these total units being built for low-rent public housing and the remaining 46,000 units benefiting middle and upper-income households. Despite its intended objectives, urban renewal basically reduced the supply of low-cost housing in American cities.

Public housing which was intended to replace the lost units became "the repository of the poor." Listokin (1991) notes, "This occurred because public housing was being used primarily to shelter families displaced by urban renewal and because of other changes (e.g., the 1949 Housing Act mandated that there be a '20 percent gap' between the highest public housing rents and the lowest rents in private housing)" (p.161).

Other housing programs created in the 1950s included Section 202 which provided housing assistance for the elderly, later expanded to include the handicapped. This program was designed to assist households with incomes above public housing levels but below that permitting rental of standard-quality, market produced housing. The mechanism for Section 202 provided for direct loans from the federal government at a below-market interest rate to non-profit housing sponsors. Listokin (1991) states, " The private sector, as opposed to local housing authorities, would build and develop units. . . in order to assist households above public-housing income limits. This approach became the mechanism of choice in the explosion of housing programs in the 1960s" (p. 163).

1960s New Frontier and the Great Society

Government wasn't the only societal entity to respond to, and attempt to address, housing and poverty issues. Private Sector interest and intervention during this period was initiated primarily through the philanthropic efforts of the Ford Foundation. Frieden and Kaplan (1975) note:

> During the 1950s, when city governments first began to turn urban renewal to their own purposes, the Ford Foundation embarked on its own very different approach toward the needs of slum residents. Staff members of the Foundation's Public Affairs Department were convinced that programs of physical renewal would not be sufficient to cope with the serious social problems of the central cities, and they also sensed that the federal government, under the Eisenhower Administration, was unlikely to attempt anything more ambitious.

> They started with a series of grants to big-city school systems to fund innovative activities in slum neighborhoods, but the staff and their consultants were also interested in broader approaches to the human problems of these 'gray areas'. (p. 27)

In 1961, the Ford Foundation began to make large grants to city governments and social action agencies for projects directing their activities toward the general social environment of depressed neighborhoods, with a special focus on Youth. This funding approach became known as the "Gray Areas Program" (p. 27). During this same time period, the newly-elected President John F. Kennedy and his brother the Attorney General Robert Kennedy sought to address national concerns of youth and poverty by establishing the President's Committee on Juvenile Delinquency and Youth Crime. According to Frieden and Kaplan (1975) the committee's mandate was to ". . . review and coordinate federal activities bearing on juvenile delinquency and to stimulate experimentation and innovation in this field" (p. 28). By the beginning of 1965, the federal government had awarded $10 million to sixteen community demonstration projects, including four that were also in the Ford Foundation's gray areas program.

Philanthropic and federal efforts began to align with similar policies and approaches to the problems of poverty and its attendant issues. Frieden and Kaplan (1975) observed that both the Ford Foundation and the President's Committee focused on changing the institutions that affected slum residents and attempted to integrate their operations. Both concentrated their resources in a few selected projects as 'demonstration' efforts as models for future approaches.

Both tried to build local constituencies by involving recognized local leadership and the poverty residents in project planning. Both supported a broad range of activities, "...in education, vocational training, youth employment services, legal aid, and community service centers" (p. 28). All of these features influenced later anti-poverty efforts, including the Model Cities program.

Intending to introduce anti-poverty legislation in the 1964 legislative program (Frieden & Kaplan, 1975), President Kennedy had asked his staff to prepare proposals for action. The day after the assassination of President Kennedy, President Johnson requested that staff keep moving ahead with these proposals. President Johnson also asked Sargent Shriver to head Johnson's (Great Society) task force on the War on Poverty (Frieden & Kaplan, 1975) and to the Shriver Task Force, ". . . it was clear that the complex causes of poverty required comprehensive changes in the environment where poor people lived. Changes were needed in employment services, health care, housing conditions, and education" (p. 31). Drier (1997) points out, "The War on Poverty had adopted the Gray Areas Project view that poverty was a symptom of social and physical environments, not the personal failings of the poor themselves" (p. 246).

In addition to the mounting pressure to address issues of poverty nation-wide, there were other political influences that began to shape federal housing policies and programs. The Civil Rights movement was gathering momentum and between 1963 and 1965 attention was turning from problems of segregation in the South to the living conditions of black residents in the North. Frieden and Kaplan (1975) comment:

> Plans for urban reform were irrelevant to the newly perceived problems of the mid-1960s if they dealt only with civic improvement and development efficiency. They had to face up to issues of racial and economic inequities as a first priority. . . . To respond to the needs of the poor and the blacks was no longer a matter of simple justice. To ignore them threatened to tear apart the fragile social fabric that was holding the cities together. (p. 34).

President Johnson's War on Poverty included a broad scope of operations (i.e., education, manpower training, community organization, social welfare) but it did not give much attention to the physical environment of cities. As early as 1961, President Kennedy had sought to establish a federal department in order to coordinate efforts to address the nation's urban difficulties. In 1965 at the request of President Johnson, Congress passed the 1965 Housing Act which established the Department of Housing and Urban Development [HUD] (Frieden & Kaplan, 1975) designed to "pull together the federal programs concerned with the environment of cities" (p. 35).

An additional housing act was also passed in 1968 (Listokin, 1991; Orlebeke, 2000) which reaffirmed the 1949 goal of ensuring that every American has the right to a decent home and suitable living environment. This Act made provision for new quantified housing production targets, timetables, generously-funded subsidy programs, planning requirements aimed at dispersing low-income housing throughout metropolitan regions, and a Fair Housing Act outlawing racial discrimination.

Although there were now numerous Federal programs and funding streams dealing with poverty issues, urban renewal, and community development, including housing production and housing subsidy, the programs were fragmented and uncoordinated. President Johnson appointed a task force to advise him on how to organize these programs under the newly created Department of Housing and Urban Development [HUD]. Frieden and Kaplan (1975) state, ". . . the task force came up with the Model Cities Program as the grand unifier and coordinator of all federal urban grants, within a new department whose overall mission gave high priority to precisely such coordination" (p. 5).

MODEL CITIES

Prior to the creation of the Model Cities Program, the Federal government had been steadily adding programs designed to assist cities. Frieden and Kaplan (1975) report, "By 1962 the Advisory Commission on Intergovernmental Relations made a conservative definition of federal urban development programs and counted forty of them. . . by the early 1960s the federal urban aid inventory already involved more than a dozen agencies and well over one hundred programs" (p. 4). Some programs (i.e., Public Housing) were intended to alleviate the plight of the poor, but most were not. General urban development grants for highways, airports, hospital construction and waste treatment works, made up the bulk of these aid packages.

These federal programs had come about due to new urban patterns that had been emerging after World War II (Frieden & Kaplan, 1975) which included: rapid growth of suburbia and suburban sprawl; the decline of central cities; and the shift from public transportation to the private car.

Critics of the Urban Renewal programs (begun in 1949 as slum clearance) were "shocked and angry" (p. 23) at the results of studies conducted in the late 1950s. These studies (Frieden & Kaplan, 1975) found:

> In essence, the cities were using urban renewal to refurbish the central business district, build housing for the middle- and upper-income families, and bolster their property tax base. In the pursuit of high-sounding objectives [such] as saving the central city and revitalizing old neighborhoods, they were evicting the poor and doing little to relocate them. The intended beneficiaries of the programs had become its victims ('refugees from civic progress') while the actual beneficiaries were real estate developers, affluent residents of the new housing, and businesses located in new office space. (p. 23)

The issues raised by urban renewal figured importantly (Frieden & Kaplan, 1975) in the subsequent formation of the Model Cities Program. Three points were of greatest relevance: (1) the choice of renewal project areas, (2) the impact of renewal activities on the city's housing supply, and (3) the attention given to the problems of the poor.

Renewal project sites were supposed to be "blighted" areas, although there were no precise ways given to define, or measure blight. Once the blight was removed, the sites were supposed to be rebuilt. Frieden and Kaplan (1975) observed, "Local authorities often avoided the worst slum areas and instead designated neighborhoods that were marginal in quality but particularly well located for new and expensive housing—'the blight that's right,' as Charles Abrahams put it" (p. 23).

Replacing slum housing with middle and upper-income housing, urban renewal projects literally decreased the availability of housing for low-income residents. Frieden and Kaplan (1975) note, "Urban renewal demonstrated clearly that city governments gave low priority to the needs of the poor who were affected by their civic improvement programs. . . . To many urban experts, the renewal experience was evidence that city government policies, if left unchecked, would continue to work to the disadvantage of the poor, and minorities" (p. 24-27).

President Johnson created a task force (utilizing individuals from outside the government) to create a "big, imaginative housing program" (p. 37). Johnson's top priority was "to attack the problem of rebuilding the slums" (p. 38) and his Special Assistant, Joseph Califano, indicated special interest in two ideas: to have major demonstrations in the rebuilding of entire neighborhoods, and to make federal funds available to the cities in the form of block grants that could be spent flexibly and unhindered by normal federal grant-in-aid restrictions (Frieden & Kaplan, 1975, p. 38).

The task force recommended a "demonstration" approach whereby cities would submit competing applications for an opportunity to be among the first to implement this new program. Primary emphasis was to focus on poverty neighborhoods, utilizing broad programs to improve living conditions for the residents of those neighborhoods while developing and testing methods that might later be extended to other cities. Frieden and Kaplan (1975) explain:

> The demonstration as defined would have to be large enough in its physical and social dimensions to improve entire neighborhoods and have a substantial impact on the total city; it would have to help close the gap between the living conditions of the poor and minorities and those of the rest of the community; it would have to foster local leadership and widespread citizen participation; incorporate measures to reduce construction costs; make major improvements in the physical environment; improve on past relocation practices where relocation

> proved necessary; establish appropriate administrative mechanisms to bring in both public and private resources and community leadership; provide adequate municipal and private financial resources to complement federal aid; and maintain a predominately residential character in the area. It would also have to extend for at least five years and provide for significant achievements within the first two years. (p. 45)

Other components of the Model Cities plan included assigning a federal coordinator to each participating city and providing supplemental federal funding to cover costs not available through existing authorizations. The bulk of the funding was already available under existing programs, but the coordination and use of these funds and programs were thought to be the key elements. The supplemental funds (Frieden & Kaplan, 1975) offered local communities flexibility through exemption from the usual federal restrictions and because they were available for a wide array of activities, depending on the localities' individual needs and preferences. This provision was a major step toward the "block grants" mechanism that is utilized today.

Although the Model Cities plan offered flexibility to cities, one of its key strategies was, ". . . to use federal leverage to bring about major improvements of local government. Not only were local governments to be induced to give higher priority to the problems of their poorest neighborhoods; they were also to be strengthened for the new tasks that would follow" (Frieden & Kaplan, 1975, p.69).

Planning discussions during the formation of Model Cities were dominated by the White House and the Task Force, HUD, and participating federal departments. They identified five main areas of concern (Frieden & Kaplan, 1975):

1. The establishment of guidelines for the role of city hall and of resident groups within the program.
2. The development of ground rules for the application of existing federal categorical programs within each participating city.
3. The development of planning regulations to govern the submission of model city plans and the use of model city funds.
4. The definition and provision of technical assistance to the participating cities.
5. The initiation of an evaluative effort that would be in keeping with the demonstrative nature of the program in each city. (p. 68)

These five components played a major role not only in shaping the Model Cities program, but also the system of Block Grants that exist today. Some additional enduring legacies of the Model Cities program include the belief that community development programs ". . . should be associated with the mayor's office" and elected officials should be held accountable for the program but neighborhood residents should also have a voice" (Frieden & Kaplan, 1975, p. 73).

This issue of residents having a voice (i.e., Citizen Participation) proved to be extremely complex and problematic. According to Frieden & Kaplan (1975), the first program guide to the cities was vague in its citizen participation requirements. Non-specific instructions included descriptive narrative such as, "to provide neighborhood residents 'a meaningful role' in policy making, to encourage a 'flow of communication and meaningful dialogue'. . . to develop 'means of introducing the views of area residents in policy making' and opportunities for residents 'to participate actively in planning and carrying out the demonstration program.' Those instructions left most of the definitions as well as the details to the cities" (p. 74).

Desiring "massive change in the quality of life in urban neighborhoods" (p. 77) Model Cities officials believed that,

> Only with strong resident involvement would the plans be relevant, sensitive, and effective in meeting citizen needs, as the citizens defined them. Local government had often been wrong in their assessment of what was important to the poor, and insensitive in their administration of programs. Citizens had to be in a position of strength if they were to negotiate successfully with city officials (Frieden & Kaplan, 1975, p.77-78).

On the flip side of the issue was the concern residents could impair the capacity of public officials to direct and coordinate the activities of public agencies. An intended compromise position was reached through the issuance of HUD's Technical Assistance Bulletin No. 3, "Citizens Participation in Model Cities" in December 1968. This bulletin stressed the importance of providing technical assistance to residents, but the bulletin proposals were offered as advice, and were not regulatory.

Government policy about the mechanisms and administration of the Model Cities program were philosophically, and literally, different under the Johnson and Nixon administrations. Frieden and Kaplan (1975) explain:

> Although HUD never officially endorsed an equal sharing of power between city hall and resident groups, during the Johnson Administration it did put pressure on city hall to work out accommodations with neighborhood groups. The new HUD team that came in with the Nixon Administration shifted the conception of the program away from a redistribution of power to neighborhood groups and toward structural reform within local government. As a result, it applied pressure on city hall not to go too far in sharing power with citizens, so that what emerged was more clearly than ever a mayor's program. (p. 72)

The Model Cities program officially lasted approximately one decade from President Johnson's leadership and the inception of the first Model Cities Task Force in October 1965, through the end of the Nixon Administration and the beginning of President Ford's assumption of the Presidency in 1974. Frieden and Kaplan (1975) observed:

> There was little reason for anyone to expect President Nixon to support the Model Cities Program. It was closely identified with the Johnson Administration and had been touted as the keystone of the Great Society, as the program that would tie together all others to solve the problems of the cities. The Nixon Administration would surely want to develop its own urban strategies—later to emerge as welfare reform, decentralization of programs, and revenue sharing with state and local government. (p. 198)

Fulfilling this political prophecy, newly-elected [1969] President Richard Nixon appointed past Michigan Governor George Romney as his Secretary of HUD. One of Secretary Romney's stated objectives was to reshape the Model Cities program in keeping with President Nixon's "New Federalism." Romney explained that his basic program objective was to decentralize government responsibility and promote local initiative by strengthening city government (Frieden & Kaplan, 1975).

During the ten years of its existence, the Model Cities Program evolved substantially. Initially conceived as a small "demonstration" program of three, then six, then ten demonstration cities, it expanded steadily into a national application competition with over 175 cities approved for the program in subsequent application rounds. The basic components of the initial program included a primary emphasis of focusing on poverty neighborhoods utilizing broad programs to improve living conditions for the poor residents of those neighborhoods. Numerous existing federal programs, including Urban Renewal, were to be coordinated and targeted in a focused manner to achieve the Model Cities objectives. Citizens were meant to be relevant participants in the planning and implementation of plans to improve their neighborhoods. Under the succeeding Presidential Administrations and the changing political philosophies, the emphasis was diverted from the perspective of assisting the poor, to federal aid for municipalities who had to deal with the ramifications of the poor living in their cities.

Frieden and Kaplan (1975) offer this retrospective on the success/failure of the Model Cities Program:

> 1. The nation was unwilling to concentrate substantial funding in a few cities, but the participating cities were willing to concentrate funds in designated poverty neighborhoods. This mix of national spread plus local concentration permitted a moderate increase in aid for poverty neighborhoods—in comparison with what the cities were then spending out of local budgets, in comparison with earlier antipoverty programs, and in comparison with revenue-sharing proposals. The level of support that emerged was sufficient to make possible improvements in public services to the model neighborhoods, but it was not sufficient to fund programs that would add substantially to the incomes of the residents. . . .
>
> 2. The ideal of comprehensive local programs, drawing on flexible federal aid to cope with the wide variety of problems affecting the urban poor, was unattainable through this program. Such comprehensiveness and flexibility required interagency cooperation, which was never achieved through the grant-in-aid reform that model cities attempted to bring about. As a result, the cities had great difficulties coping with the maze of federal agencies whose cooperation was needed for comprehensive local programs. These difficulties arose in part from limited city capacities, which neither the strategy of establishing a single point of entry for federal funds nor federal planning reviews nor federally funded technical assistance did much to strengthen. In the end, the cities were not able to spend even the limited model cities funds made available to them.
>
> 3. Through the Model Cities Program, the nation demonstrated a greater willingness to redistribute resources to the poor than was evident in most other federal programs for the cities. This redistribution however, was blunted by political pressures to spread the funds to many localities and by both bureaucratic and political resistance to interagency support. The model cities experience thus suggests that

> there is a degree of tacit recognition that the urban poor have a special claim to federal resources and therefore that political support may be found for other channels of redistribution in the future. (pp. 192-193)

SWEEPING CHANGES IN THE 1970S AND 1980S

Although a national commitment remained which sought to concentrate federal resources in neglected urban poverty neighborhoods, the emphasis under the Nixon Administration shifted from assistance to the poor and minorities to a program intended to help cities. An underlying purpose of the original Model Cities plan had been to reform the federal grant-in-aid system by making it more responsive to local priorities, more flexible, and more subject to control by local elected officials. Frieden and Kaplan (1975) comment:

> Over the years, federal descriptions of the program came to emphasize its goals of decentralizing responsibility to the cities, building city competence, and advancing the New Federalism. And to most other members of the supporting coalition, grant-in-aid reform was an important purpose. . . . The Nixon Administration had its own strong commitment to this goal, which was independent of the Model Cities Program, and it soon moved toward revenue sharing as a more promising approach to accomplish its ends. (pp. 232-233)

In January of 1973 the Nixon Administration announced that a number of HUD programs (including Model Cities) would be suspended (Frieden & Kaplan, 1975; Lang & Sohmer, 2000; Listokin, 1991; Orlebeke, 2000) and abruptly imposed a moratorium on subsidized housing production pending a reevaluation. Although under the Nixon Administration 1.6 million units of subsidized housing had been started (Orlebeke, 2000), the 1971 *President's Third Annual Report on National Housing Goals* had identified some surprising negative results. Orlebeke (2000) reports:

> Housing, including much in reasonably sound condition, was being abandoned in the cities as entire neighborhoods seemed to be emptying out. The middle-class exodus to the suburbs was clearly connected in some way to abandonment, and the report suggested that new subsidized housing might be contributing to this abandonment, which, 'if unchecked, could turn our production efforts into a treadmill' (*President's Third Annual Report on National Housing Goals* 1971, 25).

The 1971 report grouped its reservations under the headings of "cost," "equity," and "environment" (Orlebeke, 2000, p. 497). Costs were cited due to the increasing costs of completing the subsidized units, and rising housing costs. Although starts were relatively inexpensive (interest subsidies equal to about $30 million), the 10-year goal might cost "the staggering total of more than $200 billion" over the life of the mortgage contracts (p. 497). The report warns, "the Federal Government could not stand impassively at the cash register and continue to pay out whatever is necessary to feed runaway inflation of housing costs" (p. 497).

The Equity discussion dealt with ". . . favoring a select few in the population" (p. 497). The eligible population was estimated at about 25 million households, but the goals envisioned in the Housing Act of 1968 would only cover a small fraction of that figure. Another Equity issue cited was the production emphasis on brand-new homes. The 1971 report states, ". . . only the 'fortunate few' were getting a housing bargain at taxpayers' expense . . . their neighbors in similar economic circumstances were 'left struggling to meet their monthly payments in older homes purchased without subsidy" (*President's Third Annual Report on National Housing Goals* 1971, 24). Orlebeke (2000) observes, "Programs that had ostensibly been devised to plug the affordability gap for needy families were in fact leaving the most desperate among them to fend for themselves" (p. 498).

Housing policy and the environment were both physical and social issues. According to the report (*President's Third Annual Report on National Housing Goals* 1971, 26), the "complex interaction" of federal housing policies and local decision making had "sometimes wrought unfortunate environmental consequences such as "poorly planned crackerbox developments" in the suburbs, and in urban areas, "drab, monolithic housing projects, largely segregated, which still stand in our major cities as prisons of the poor—enduring symbols of good intentions run aground on poorly conceived policy, or sometimes simply a lack of policy" (p. 498). The report called for "more explicit attention to the environmental impact of housing programs" and a more active role on the part of state and local governments "in relating community growth, development, and services to the housing needs of citizens of all income levels" (p. 498).

The suspension of Model Cities and Urban Renewal, and the moratorium on subsidized production, marked the beginning of significant change in the federal government's provision of affordable housing in our nation. According to Lang and Sohmer (2000), "After years of leadership in housing, as best exemplified by the Housing Acts of 1949 and 1968, the federal government devolved housing programs to states and localities and sought to draw the market into the production of low-income housing" (p.296).

Community Development Block Grants [CDBG]

The new federal approach to housing and urban development was to be a program entitled, Community Development Block Grants, or CDBG. Jennings and Krane (1986) describe CDBG as the "centerpiece" (p. 5) of the Nixon Administration's New Federalism:

> Responding to local government complaints about the confusion (and intrusion) associated with the proliferation of federal categorical grants, the Nixon administration adopted a funding approach for housing and urban development that amalgamated several related categorical grants into a 'block' of money that would provide formula-based funding to larger communities and permit local authorities greater discretion in selecting among eligible projects and activities. Funds were allocated via a needs formula, following the New Federalism technique of automatic entitlements, to cities of at least fifty thousand population and to urban counties. (p. 5)

On August 2, 1974 (Frieden &Kaplan, 1975; Listokin, 1991; Orlebeke, 2000) President Gerald Ford signed the Housing Act of 1974. This Act consolidated the Model Cities Program, Urban Renewal, Open Space, Water and Sewer, and other (mostly non-housing) community development programs administered by HUD and replaced them with CDBG. Jennings and Krane (1986) comment, ". . . the CDBG program was a purely national to local grant; that is, for CDBG's first seven years, state governments were by-passed in the award process" (p. 1). With regards to housing, Orlebeke (2000) points out, "the CDBG statute permitted funds to be used for housing rehabilitation but not new construction" (p. 508).

The 1974 Housing Act also established a major new housing subsidy under Section 8. According to Listokin (1991):

> Under Section 8, the federal government would pay the difference between an established fair market rent and 25 percent (later amended to 30 percent) of the tenant's income. Eligible households were those with 'lower income,' defined as households with incomes under 80 percent of the area's median [income] adjusted for family size. Section 8 could be applied on new, rehabilitated, and existing privately owned housing. (p. 165)

Although the federal government now had both subsidy and production assistance programs in place for the provision of affordable housing, the succeeding years would reveal that these programs were falling significantly short in terms of meeting actual need, and the national housing goal.

Housing and Poverty during the Carter – Reagan – Bush years

Drier (1997) offers this overview of the national environment during the administrations of Presidents Carter, Reagan and Bush and the resulting conditions for millions of Americans:

> During the 1980s, the transformation to a postindustrial economy and the erosion of public benefits drove down U.S. wages and incomes. For the first time in the postwar period, the majority of American workers—including many white-collar and professional employees—saw their incomes decline (Mishel and Bernstein 1993). Poverty rates increased, and poverty became more geographically concentrated. The overall poverty rate was 11.6 percent in 1980, 12.8 percent in 1989, and 14.2 percent in 1991. In 1992, 14.5 percent of all Americans—and 22 percent of all children—lived below the official poverty line. The number of poor Americans—almost 36.9 million—represented the most poor people since 1964. Poverty became more geographically concentrated. From 1970 to 1990, the number of census tracts with 20 percent or more poverty in the 100 largest cities increased from 3,430 to 5,596 (Kasarda 1993).
> The number of low-cost apartments dwindled, many of them lost to the urban renewal bulldozer and many of them lost to market forces, including condominium conversions and rising rents. In 1970, there were 6.8 million rental units with housing costs of $250 or less a month (in 1989 dollars). By 1989, there were only 5.5 million rental units in this range (in 1989 dollars). During that same period, however, the number of families in

> poverty, including the number of low-income renters, increased significantly.
>
> Rent burdens worsened, especially for the poor. In 1990, nearly one-fifth (17.8%) of all American renter households devoted more than half their income to meeting housing costs. At least one-third of all renters in every state could not afford market-level rents—that is, they paid more than 30 percent of their incomes. . . . At the same time, millions of Americans lived doubled up or tripled up in overcrowded apartments. Millions more paid more than they could reasonably afford for substandard housing and were one emergency (rent increase, hospital stay, layoff) away from becoming homeless. . . . While private market forces were reducing low-rent apartments, the federal government was slashing housing assistance to the poor, reversing a trend begun in the New Deal. . . . The homeless were the most tragic victims of these trends. By moderate accounts, including an Urban Institute report, by the late 1980s the ranks of the homeless swelled to 600,000 on any given night and 1.2 million over the course of a year. Shelters reported that the demand for their services increased by about 20 percent a year during the 1980s. . . During the 1980s the composition of the homeless population changed from the initial stereotype of an alcoholic or mentally ill middle-aged man or 'bag lady' (many of them victims of the 'deinstitutionalization' policies of the 1970s) to include more families, even many with young children. A U.S. Conference of Mayors (1993) survey found that almost one-quarter of the homeless were employed but simply could not earn enough to afford permanent housing. (pp. 248-251)

Several key Acts were passed during the Reagan Administration which affected federal housing policies and the mechanisms for funding housing programs. In 1981 President Reagan won passage of the Omnibus Budget Reconciliation Act (Jennings & Krane, 1986; Smith, 1999) which reduced federal regulations and spending on many federal social and health programs and devolved responsibility for their administration to the states. Jennings and Krane (1986) comment:

> The Omnibus Budget Reconciliation Act of 1981, which gave states the opportunity to assume control of the Small Cities Community Development Block Grant Program, represented a major shift in the American intergovernmental system. That shift can be viewed as part of a broader strategy of the Reagan administration to reduce the size and scope of the

> national government, decentralize program and policy responsibility to bring it closer to the people, revitalize the role of the states in the federal system, and ultimately, reduce the scope of government in general (Palmer and Sawhill 1984; Wright 1982; Nathan and Doolittle 1983; Ingraham 1983; MacManus 1983). (p. 2)

Soon after taking office in 1981, President Reagan also authorized a task force to examine federal housing policy. Drier (1997) observes, "Dominated by bankers and developers, the task force concluded that Washington was too involved with housing regulations and subsidies, and it called for a new approach based on 'free and deregulated markets' (p. 250). The Housing Act of 1983 soon followed (Listokin, 1991) which repealed Section 8's use for new construction and substantial rehabilitation as opposed to existing housing. Section 8 would now take the form of a certificate or voucher, provided to an income-eligible tenant who would secure an eligible unit in the marketplace.

Although other housing legislation and programs were created during the 1980s, the most significant legislation was the Tax Reform Act of 1986 (Von Hoffman, 2001; Wallace 1995). Von Hoffman (2001) explains:

> In place of the rapid depreciation tax shelter that had encouraged individuals in high income tax brackets to invest in low-income housing rehabilitation projects, the 1986 law created the Low-Income Housing Tax Credit. The tax credit allows developers to reduce their federal tax liability for 10 years by investing in a newly constructed or rehabilitated low-income rental housing project (Hays 1995; Jacobs et al. 1986). The law requires the developer to ensure for a period of 15 to 30 years that (1) at least 20 percent of the units have limited rents (determined by the U.S. Department of Housing and Urban Development [HUD]) and are occupied by tenants whose incomes are 50 percent or less of the metropolitan area median gross income or (2) at least 40 percent of the units have restricted rent levels and are occupied by tenants with incomes 60 percent or less of the area median income (Cummings and DiPasquale 1998). (p. 14)

Orlebeke (2000) further clarifies:

> Individuals and companies who invest in low-income housing can take a tax credit (a dollar-for-dollar offset against other taxes) equal to their investment in 10 annual installments. . . The rents charged may not exceed 30 percent of a household's income. . . As implemented, most developments end up being 100 percent occupied by renters meeting the 60 percent of median income standard. The number of units generated by tax credits is limited by the total allocation permitted under federal law, which established a formula calling for annual allocations to states based on population; each state receives $1.25 per resident. State housing agencies distribute the credits to local housing agencies or directly to sponsors of low-income developments. Program compliance on the development side of the program is the responsibility of state agencies, while the IRS is responsible for enforcing the federal tax code. (pp. 511-512)

The final legislative pieces providing for federal support of housing programs (as they currently function) occurred early in the 1990s during the George Bush administration. The milestone 1990 Cranston-Gonzalez National Affordable Housing Act (NAHA) created the HOME housing block grant characterized by Orlebeke (2000) as, ". . . the sibling to the popular, well-established Community Development Block Grant (CDBG) enacted in 1974. Under HOME, federal money would continue to flow to housing production and rehabilitation for both renters and lower-income owners, but local officials, not federal officials or Congress, would determine the mix of applications" (p.491). Administered by HUD, HOME is a formula based, entitlement block grant, but it can only be used for housing activities. Both local entitlement communities, and States, receive annual allocations of HOME funds.

Additional funding for Public Housing was provided under the HOPE VI program created in 1993. According to Orlebeke (2000) the program provides lump-sum grants of $50 million to cities for dealing with their distressed public housing inventory. Demolition, new construction, and social services are all permitted uses.

Under Republican "New Federalism" strategies, Jennings and Krane (1986) state, "The intergovernmental initiatives of the Reagan administration reflect a coherent set of beliefs about the directions in which federal policy should move" (p. 2). Four components of this broader strategy are itemized as Deregulation, Decongestion, Decrementalism, and Devolution. Deregulation involves reducing the regulatory strings attached to federal grants. Decongestion means sorting out governmental functions among various levels of government. Decrementalism is the effort to reduce government spending and programs. Devolution involves shifting responsibilities and authority downward in the federal system.

Orlebeke (2000) considers three important policy instruments that mark this devolution: housing vouchers, housing block grants, and the Low-Income Housing Tax Credit. He argues that 'the three pronged strategy of vouchers, block grants, and tax credits has achieved reasonably good results and attracted an unusual degree of political consensus. A steady expansion of all three components offers the most promising path to the 'realization as soon as feasible' of the national housing goal" (p. 489).

At this point in time, it's clear that the provision of affordable housing in America occurs mostly with the financial support of the federal government. Basolo (1999) conducted a 1994-1995 study of American cities and found, "Many cities combine local, federal, state and other dollars to finance housing programs in their jurisdiction. . . . it appears the federal government funds the lion's share of affordable housing programs in cities" (p.671). But it's also clear that there are substantial gaps between what housing assistance is available—and the actual need. America is far from reaching its national housing goal of "a decent home and suitable living environment for every American."

Since the federal government first involved itself in housing there has been an ever-changing and evolving [political] response to the following questions: Who should the beneficiaries be? What form of support should be provided, production or subsidy? What level of financial support should be offered? What funding mechanisms should be utilized? What [related] aspects should be government regulated? What role does which level of government play? Is Citizen Participation relevant? Who is responsible for program planning, administration, and funding decisions? And last, but not least, who should the production agents be?

Emerging Role of CDCs and CHDOs

Philanthropists and social reformers have been spearheading efforts to alleviate poverty and substandard housing conditions since prior to the Civil War. It's mainly through their endeavors and untiring advocacy that government accepted some responsibility for the provision of this basic human need. Private sector/government partnerships and collaboration began as early as the Relief and Construction Act of 1932 which authorized the Reconstruction Finance Corporation (RFC) to make loans to low-income and slum redevelopment public housing corporations. In the 1950s the federal government widely opened the door to private sector/government collaborations by authorizing the Section 202 program which provided loans with below-market interest rates to non-profit housing sponsors. This use of non-profit corporations for the production of housing units rapidly became the "mechanism of choice" for the federal government (Listokin, 1991, p. 163).

The non-profits who developed housing came to be known as Community Based Organizations (CBOs) or the more commonly used descriptive, Community Development Corporations (CDCs). Von Hoffman (2001) provided this overview:

> To revive troubled neighborhoods [in the United States], civic and government leaders have adopted a set of programs and institutions known collectively as the community development system. Unlike the policy of urban renewal that it replaced, community development is a decentralized system that relies on private citizen's groups as much as it does on government.
>
> The primary agents of the community development system are community development corporations (CDCs), independent organizations that strive to improve adverse physical, social, and economic conditions in which poor people live. A CDC is a nonprofit entity—usually authorized as a 501(c)(3) organization—with a board of directors, executive director, and staff members. Often operating out of a storefront or converted dwelling, typically CDCs serve and carry out programs within a defined territory (Vidal 1992). (pp.1-2)

According to O'Regan and Quigley (2000):

> The current model of nonprofit provision by CDCs has its roots in the late 1950s and early 1960s, in the civil rights movement, in urban unrest, and in reactions to the era of top-down urban renewal. Since that time, CDCs have dominated the nonprofit housing industry. CDCs are nonprofits with a distinctly local focus, through resident representation on a governing board and a mission that generally targets a limited geographic area. Thus, CDCs tend to be smaller organizations, producing fewer units of

> housing, in smaller-scale projects than nonprofit providers that are not community-based . . . (pp. 298-299)

Expounding on the rationale for the growing numbers of CDCs, and the federal government's support of these organizations, O'Regan and Quigley (2000) cite three major factors:

> First, nonprofits are promoted as a critical component of the affordable housing industry because of their willingness to serve poorer tenants, who live in poorer neighborhoods and in projects with less financial security in economic returns (see, e.g., Urban Institute 1995; Vidal 1992). Arguments are seldom put forward that nonprofits will provide the *same* affordable housing at the *same* cost as for-profit firms, but rather that nonprofits will supply the housing that is the most difficult to induce from for-profit firms.
>
> . . . .Second, local CBOs may possess geographically specific information and knowledge about appropriate solutions to local housing problems. In its pure form, this consideration is similar to the one encountered in deciding upon the provision of public services in a federal system. Decentralization rewards local initiative and knowledge of local needs. Thus, federal devolution of housing programs to state governments and to localities also suggests an increased role for locally based housing providers.
>
> Third, there are clearly articulated goals of housing subsidy policy that are only weakly related to the production of housing units—for example, attention to social and physical externalities, citizen control, and the development of local political organizations. To the extent that federal urban development goals are broader than the physical production of adequate housing, their achievement may be more consistent with production of housing by nonprofit rather than for-profit entities. (p. 300)

Federal support for CDCs as housing production agents was further solidified by the 1990 Low-Income Housing Preservation and Resident Homeownership Act (Lipman, 2002; Orlebeke, 2000; O'Regan and Quigley, 2000; Von Hoffman, 2001). This legislation specifically provides an annual funding stream for housing development under the HOME block grant program. In addition to the grant funds, HOME defined a specific housing development role for non-profits by creating a definition of, and criteria for, Community Housing Development Organizations [CHDOs]. A key criteria requires CHDO board composition to consist of at least one-third membership by either low-income residents, or members who reside in a HUD-defined low-income census tract. The HOME program also requires that 15 percent of the total allotments for housing development be distributed to nonprofit community housing development organizations and it contains provisions to allow government grantees to fund CHDO general operating support.

It's important to note that although HUD regulations define and set the criteria for CHDO status, each governmental entity receiving HOME Block Grant allocations (State, County, City and/or Participating Jurisdiction) has the right to provide, or deny, official CHDO designation to a nonprofit applicant. It is possible for an applicant to apply for, and receive, multiple CHDO designations (i.e., State, County, City).

Philanthropic programs which supported the mission and goals of CDCs also expanded greatly in the 1980s and 1990s. O'Regan and Quigley (2000) note, ". . .private foundations also became more aggressive in their efforts to develop a network of nonprofit housing developers. Two national intermediaries, the Local Initiatives Support Corporation (LISC) and the Enterprise Foundation, were created to operate as foundations, specifically to address the issue of capacity-building in the nonprofit sector. Both organizations provide financial and other assistance in support of neighborhood-based housing (pp. 301-302).

Factors Affecting CDC Housing Production

Although by the 1980s both federal policy and philanthropic policy supported CDCs as housing production agents, many other factors affected, and continue to affect, the ability of CDCs to locally assist with the national housing goals. Von Hoffman (2001) states that some of these factors include: diverse local conditions, insufficient operational dollars, programs which require high-level staff expertise but do not provide equitable staff wages and time-consuming efforts to obtain program funds. In support of CDCs, Von Hoffman (2001) comments, "Because CDCs are usually located in the neighborhoods that they are trying to improve, their directors can tailor their programs to local conditions and residents' desires more readily than can government officials located in City Hall, a state capital, or Washington, D.C. . . . ." (p. 2).

According to Von Hoffman (2001), "The political environment of the city or region greatly influences the success of CDCs and local financial intermediaries" (p. x). A 1998 study by Margaret Weir, *Power, Money, and Politics in Community Development* , focused directly on environments in which community development organizations exist, and the local political forces with which they must contend. She identified and categorized three types of cities, by prevailing political attitudes: 1) an elite-dominated city; 2) the patronage city and; 3) the inclusive type of city. According to Weir, in an elite-dominated city established political leaders attempt to limit the political threat that neighborhood mobilization poses. There are weak connections between community organizations and the centers of economic and political power. "In some cities, elite downtownoriented interests monopolize resources; in others, community organizations must contend with neighborhood-based politicians who view them as a threat" (p.140).

Weir characterizes Chicago as a political patronage city. She comments, [this system] ". . .permeates economic development and organizes the transactions through which community groups gain access to resources" (p. 154). Weir (1998) relates:

> In Chicago during the heyday of the Daley political machine, the mayor's tight control over resources meant that independent neighborhood groups did not receive resources from the city. There was no open participatory process; the mayor used new federal funds provided by the War on Poverty and Model Cities in the 1960s to extend the patronage of the political machine. It was no accident that Alinsky's protest style of organizing first developed in this restrictive political environment. The breakup of the machine after Daley's death in 1976 did not end patronage politics; instead politics became more decentralized and the city council assumed the pivotal power. To city council members, independent neighborhood organizations were threats. 'The only thing a Democratic committeeman hates more than a Republican voter,' one Chicago reporter wrote, 'is a neighborhood organization [because] many of these organizations were formed as alternatives to ward organizations that weren't doing their jobs—delivering neighborhood services'.(p. 160)

The third type of city that Weir categorized is the inclusive City. She states:

> In inclusive cities, community-based organizations exercise independent power or win influence because city governments find them useful allies. The organizations are routinely able to gain access to public and private resources through participation and networks. Stable sources of financing make it easier for them to develop administrative capacities (or create spin-offs that administer programs) and participate in networks that further increase access to both public and private resources. . . .In contrast to elite-dominated and patronage political systems, community groups in these cities have been able to command independent political power, which backs up their claim on resources. Because that power is relatively stable, it has afforded community organizations the room to develop their skills and capacities, making them strong partners in development. (pp. 163-164)

These political distinctions are key elements determining the ability of CDCs to provide housing and revitalization services for their neighborhoods. Federal Block Grants [HUD administered CDBG and HOME] continue to be the major source of funding for housing and community development. Other funding sources (such as foundation and/or State Housing Authority grants) are often dependent upon receiving "match" funds from the local municipality. The municipalities are the actual "Grantees". An annual formula-based allocation of funds is awarded to the Grantees which include states, counties and cities. Cities of 100,000 or more in population are called Participating Jurisdictions, or PJs. These PJs have the option of utilizing the funds themselves, or passing through the funds to subrecipients—such as CDCs. Guided by statute and regulation, the Grantees have the legal authority to make all decisions about what types of programs get funded, who the recipient is and what dollar amount is allocated for the activity. The political environment determines who (as Grantee) is making these decisions.

Block Grant legislation does require local citizen input via mandates for a Citizen Participation Plan, a five-year planning document called the Consolidated Plan, and an annual specific update to the Consolidated Plan called the Action Plan, which includes specific information about that year's allocation distribution. All of these plans have specific requirements for Public Hearings and Public Comment. These requirements have their roots in the Model Cities programs of the 1960s but Weir (1998) reports:

> A recurrent criticism about participation in the 1960s was that, despite requirements for citizen participation in the Community Action Program

> and in Model Cities, participation remained largely symbolic. . . .Model Cities had been explicitly designed to give mayors more control to avoid the political disruption that community action programs had provoked in many cities. . . .The Community Development Block Grant created in 1974 placed authority back with the Mayor and had only weak provisions for community participation. . . .A major survey of the CDBG program conducted by the Brookings Institute in the late 1970s found that city officials and program staff dominated most fundamental decisions about how funds would be allocated and what activities would be funded. . . .In the major recent survey of CDBG programs in sixty-one cities, the Urban Institute found that chief executives and community development administrators continued to dominate the annual allocation of funds, but also indicated that citizens groups had gained some influence. . . .Despite the existence of national directives, formal channels for community participation, and the mobilization of community-based organizations in the 1980s, most systemic studies of CDBG spending show that local political and fiscal situations are the strongest determinants of how the funds are spent. . . .In periods of sharp fiscal pressure, mayors diverted the funds into basic city services—snow removal and the like. They also deliberately used the funds to reward important political constituencies or to woo new ones. . . .Community organizations have been able to use formal requirements to participate in funding decisions, but the local fiscal conditions and the place of community groups in local political coalitions were the most important factors determining who got what.(pp. 145-149)

State Governments as Nonprofit Partners

While federal Block Grants now provide the bulk of financing for housing subsidy and production, state governments have evolved into substantial partners for CDC community development programs (Basolo, 1999; Research and Policy Committee of the Committee for Economic Development, 1967; Walker, 1993). President Nixon's and President Reagan's "New Federalism" approach to revenue sharing also devolved housing programs to states, as well as localities (Basolo, 1999; De Vita, 1999; Frieden & Kaplan, 1975; Green & Reed, 1986; Jennings & Krane, 1986; Jennings, Krane, Pattakos & Reed, 1986). Basolo (1999) believes that "Federal devolution motivated state governments to become more active in finding affordable housing solutions" (p. 667). Basolo also comments:

> Emerging state roles mirror those adopted by localities. States have augmented traditional housing finance agency support for affordable housing development with housing trust fund and tax credit programs. States have also created predevelopment lending programs and grant programs to provide nonprofit operating support.
>
> State housing trust funds—permanent endowments to finance housing and community development activity—have become increasingly important sources of nonprofit support, including support for capacity building. (p. 400)

In Michigan, Act 346 of 1966 created the Michigan State Housing Development Authority [MSHDA]. The main revenue sources for MSHDA programs include: sale of tax-exempt bonds; annual Block Grant allocations; sale of (low-interest) mortgages; and allocations of Low Income Housing Tax Credits [LIHTC].

MSHDA offers a range of housing programs and assistance for CDCs who in turn are providing both multi-family and single-family housing for low-income clients. These programs include: Emergency Services Grants [ESG] (i.e., shelters, transitional and supportive housing programs); Acquisition-Development-Resale grants [ADR] (which includes both new construction and rehab of properties which are then sold to qualified clients); Homeownership Counseling; Homebuyer and Homeowner assistance grants and loans (i.e., downpayment assistance, low-interest mortgages, loans for purchase/rehabilitation of housing); Property Improvement Program [PIP] loans for both homeowners and landlords; Rental Rehabilitation grants; and

Neighborhood Preservation Program [NPP] grants for a variety of programs which improve a targeted neighborhood. As the designated State Housing Authority, MSHDA is also the entity that allocates Low Income Housing Tax Credits [LIHTC] to eligible for-profit and nonprofit corporations.

For the purpose of the following study it's important to note two MSHDA rules: 1) Only nonprofit CDCs and/or CHDOs are MSHDA-eligible applicants in Flint, Michigan. The City of Flint is a Participating Jurisdiction and as such, is ineligible to apply for MSHDA funds; 2) MSHDA policy requires that an applicant from a PJ can only apply for dollar-for-dollar "match" funding. This means that a Flint CDC cannot apply for MSHDA funds, unless they have received a City of Flint Block Grant award. MSHDA does allow an applicant to use "match" from recent cumulative years in order to fulfill the requirement, but match can only be utilized once.

III. Methodology

SUBJECT:

The subject is Federal Block Grants that the City of Flint receives on an annual basis, and the city's use of these grants. While a complete overview of use of these grants will be provided, special emphasis will be placed on use for the category of housing. The three types of block grants are: 1) Community Development Block Grants [CDBG]; 2) HOME Investment Partnership Block Grants [HOME] and; 3) Emergency Shelter Block Grants [ESG]. The Timeline for this study is a period of five years, from 1998 through 2002.

Use of Federal Block Grants in the housing categories will then be compared with Michigan State Housing Development Authority [MSHDA] grants awarded to City of Flint grant subrecipients during 1998-2002. The purpose is to determine: 1) which subrecipients are leveraging City of Flint Block Grants for housing activities with MSHDA funding, and; 2) what monetary amounts are being maximized (increased) through leveraging, or what monetary potential is being lost through lack of leveraging.

MEASURES AND MATERIALS:

<u>Data Sources</u>

There are two key annual reports that the federal department of Housing and Urban Development [HUD] requires from the city, regarding use of Block Grants. The first is called the Action Plan and it contains information about how the city intends to distribute and use (or spend) its block grant allocations. This plan must be submitted and approved by HUD prior to the start of the federal fiscal year, which starts July 1st. The second report is called the Comprehensive Annual Performance and Evaluation Report [CAPER]. Due ninety days after the end of a fiscal grant year (June 30) this snapshot report provides information about how funds were actually spent, and/or balances unspent. All grants from the current year's Action Plan are included in that year's CAPER, as well as past year Action Plan grants that are still open or have been active during the time of the CAPER. Both forms have sections which provide specificity regarding the sub-recipient, the amounts, and the use. Review of these documents revealed contradictory and inconsistent information provided within different sections of the reports. Therefore, the measures will be explained in more detail in the Procedures section of this study. Both of these reports are considered Public Documents and were obtained through a request made to the City of Flint, Department of Community and Neighborhood Services: Major Grants Division.

MSHDA information regarding applications made, and grants denied and/or awarded to sub-recipients operating in the City of Flint--was obtained through a Freedom of Information Act [FOIA] request. Please see Appendice 1 to see a copy of the request, and MSHDA's response.

Technology Utilized

Two types of Microsoft Office software were used to compile and analyze data. MS Access 2003 (a relational database manager) was employed to create tables which presented information from the Action Plan Publications, Narratives and 20/20 sheets. The same technology and procedure was used to create tables providing information from the relevant CAPER sections including the Activity Summary of Consolidated Plan Projects (IDIS – CO4PRO6) and the CDBG Activity Summary Report (IDIS – CO4PR03).

This MS ACCESS software allows for selection of specific records based on chosen criteria (filtering) and subsequent categorization and summing of specific criteria reviewed (i.e., year of grant, type of block grant, HUD Matrix Codes, categories of use, recipients and programs, etc.) through the utilization of queries and reports. It also allows the linkage of tables in a relational manner which makes it possible to compare and analyze data between and within tables. Summed totals were produced and then exported to MS Excel (a spreadsheet program) to provide the charts and tables included in this study.

PROCEDURES and RESULTS:

Action Plan Allocations

Deciding who, and what gets funded, is the first step in the use of HUD Block Grants. The first phase of this five-year study is a review of the Sources of funds and Uses in annual allocations. In the second phase, the allocations will be compared with the actual use through review of the CAPER.

Relevant Planning Documents and the Allocation Process

Required by HUD, a Consolidated Plan is a five-year structuring document that contains numerous kinds of information about the geographic area, and government entity, designated as a Participating Jurisdiction [PJ]. Some of the HUD requirements for a Consolidated Plan include stated priorities (among eligible uses) for future annual allocations specified in an Action Plan.

The City of Flint is a PJ and is considered the Grantee. Entities receiving sub-grants from the city (including nonprofits and city departments) are known as sub-recipients. *[NOTE – There are other distinctions (e.g., Sponsor, Developer) made for subrecipients receiving HOME funds if the entity has status or designation as a Community Housing Development Organization [CHDO]; but for the purpose of this study all entities receiving sub-grants are categorized as Recipients.]*

As a PJ, the City has the responsibility for creation of the Consolidated Plan, creation of the Action Plan, the Citizen Participation process, administration of the allocation process, adherence to HUD rules and regulations, monitoring of grant spending, and HUD reporting. The City of Flint department that has the responsibility for administration of Block Grants was previously called the Department of Economic and Community Development [DCED] but recently had a name change to Department of Community and Neighborhood Services: Major Grants Division.

The Action Plan is a report that a PJ is required to submit to HUD every year, in order to receive the annual funding. This report states how the PJ has decided to distribute its annual amount of Block Grant dollars, including Emergency Shelter Grants [ESG], Community Development Block Grants [CDBG] and HOME Investment Partnership Grants [HOME]. Each of these three types of Block Grants have specific rules regarding the types of activities that can be funded.

Grant amounts in an Action Plan will include annual (new) allocations of funds and may also include funds that were not spent in previous years (Reprogrammed), as well as estimated Program Income for the future year. Program Income can be both grant and loan repayments although during the time period of this study (1998-2002) it consists of loan repayments. Annual allotments to a PJ are formula-based (i.e., population, poverty demographics) and the amounts change every year based on congressional authorizations.

In the City of Flint, the allocation process consists of :

- An annual request for applications (only city departments and nonprofit 501(c)(3)s are eligible applicants)
- Major Grants review of applications and recommendations for funding
- Recommendations for funding by the City Wide Advisory Council (a citizens body with members appointed by both the Mayor and City Council which fulfills some of HUD's Citizen Participation requirements)
- Mayor's Office recommendations (sometimes separate from the department recommendations)
- Publication of the intended allocations and Legal Notice of the Public Hearing

- A Public Hearing before City Council where citizens can offer opinions and input regarding the intended allocations
- Final decision on grant distributions by City Council approved via a Council Resolution *[NOTE – Since August 2002, the City of Flint has been administered by a state-appointed Emergency Financial Manager. This EFM has the authority to determine all financial decisions for the city, including use of Block Grants. City Council is instructed to approve the resolution as created by the EFM. The 2003-2004 grant year is the first year that the EFM participated in the allocation process.]*

Verification of the Annual Allocations

Allocations in an Action Plan are listed in several sections, in a variety of ways. Some of the sections only note grand totals (i.e., New Allocations, Program Income) for the specific type of Block Grant. Other sections note the specific sub-recipient and specific grant amount. In theory, the figures in the separate Action Plan sections should be the same, including all grand totals and the listings for each specific sub-recipient entity and each specific grant amount being identical.

A review of each of the five Action Plans relevant to this study however, reveal that:

- Some sections are always present in the plans
- Some sections are in some plans, but not all

- Some sections contain certain types of information for some years, but not for all
- Different sections do not always agree to either total amounts, or specifics

It is unknown why there is such disparity in each Action Plan but it does make it difficult to use the reports as a data source, and to conduct a longitudinal study. It's known that HUD requires specific actions to take place, and specific documents to be created in order for a PJ to receive funding. Speculation on the disparities in the 1998-2002 plans include:

- HUD requirements changing from year-to-year
- Different report authors utilizing different formats and/or contributing different sections in a non-consistent manner
- Lack of a format procedure and/or inclusions checklist
- Clerical Error

In order to determine how to compare the allocations (which sections provided the most constancy) and secure the information desired, the following Table 1 was devised:

Table 1: Elements of Action Plan Inventory						
Elements of Action Plan	**1998-2002**	**1998**	**1999**	**2000**	**2001**	**2002**
SF-424 Application for Federal Assistance - CDBG	5 Yes	Yes	Yes	Yes	Yes	Yes
SF-424 Application for Federal Assistance - HOME	5 Yes	Yes	Yes	Yes	Yes	Yes
SF-424 Application for Federal Assistance - ESG	5 Yes	Yes	Yes	Yes	Yes	Yes
This year stated it had CDBG Program Income	4 Yes - 1 No	Yes	Yes	No	Yes	Yes
This year stated it had CDBG Reprogrammed Funds	4 No - 1 Yes	Yes	No	No	No	No
This year stated it had HOME Program Income	4 No - 1 Yes	Yes	No	No	No	No
This year stated it had HOME Reprogrammed Funds	4 No - 1 Yes	Yes	No	No	No	No
Section 4: Narrative totals of BG Funds in AP	5 Yes	Yes	Yes	Yes	Yes	Yes
Narrative includes CDBG Program Income	2 Yes - 2 No - 1 NA	Yes	Yes	NA	No	No
Narrative includes CDBG Reprogrammed Funds	4 NA - 1 Yes	Yes	NA	NA	NA	NA
Narrative includes HOME Program Income	4 NA - 1 No	No	NA	NA	NA	NA
Narrative includes HOME Reprogrammed Funds	4 NA - 1 No	No	NA	NA	NA	NA
Publication Proposed Use of Annual BG Funds in AP	5 Yes	Yes	Yes	Yes	Yes	Yes
Publication listed CDBG Program Income	4 Yes - 1 NA	Yes	Yes	NA	Yes	Yes
Publication listed CDBG Reprogrammed Funds	4 NA - 1 Yes	Yes	NA	NA	NA	NA
Publication listed HOME Program Income	4 NA - 1 Yes	Yes	NA	NA	NA	NA
Publication listed HOME Reprogrammed Funds	4 NA - 1 Yes	Yes	NA	NA	NA	NA
Total FUNDING SOURCES Sheet in AP	3 No - 2 Yes	Yes	No	Yes	No	No
FUNDING SOURCES Sheet lists CDBG Program Inc	2 NA - 2 U - 1 Yes	Yes	Unknown	NA	NA	Unknown
FUNDING SOURCES Sheet lists CDBG Reprog	2 NA - 2 U - 1 Yes	Yes	Unknown	NA	NA	Unknown
FUNDING SOURCES Sheet lists HOME Program Income	2 NA - 2 U - 1 Yes	Yes	Unknown	NA	NA	Unknown
FUNDING SOURCES Sheet lists HOME Reprog	2 NA - 2 U - 1 Yes	Yes	Unknown	NA	NA	Unknown
20/20 Sheets for CDBG Present	5 Yes	Yes	Yes	Yes	Yes	Yes
Missing or Discrepancies in 20/20 Sheets to Published CDBG	3 Yes - 2 No	Yes	Yes	No	No	Yes
20/20 Sheets for HOME Present	5 Yes	Yes	Yes	Yes	Yes	Yes
Missing or Discrepancies in 20/20 Sheets to Published HOME	3 No - 2 Yes	Yes	Yes	No	No	No
20/20 Sheets for ESG Present	5 Yes	Yes	Yes	Yes	Yes	Yes
Missing or Discrepancies in 20/20 Sheets to Published ESG	4 No - 1 Yes	No	Yes	No	No	No
Section 9/J: Program Specific Requirements CDBG Present	3 Yes - 2 No	Yes	No	No	Yes	Yes
Missing or Discrepancies in Sec 9 to Published CDBG	2 No - 2 U - 1 Yes	No	Unknown	Unknown	No	Yes
Section 9/J: Program Specific Requirements HOME Present	2 No - 3 Yes	Yes	No	No	Yes	Yes
Missing or Discrepancies in Sec 9 to Published HOME	2 Yes - 2 U - 1 No	Yes	Unknown	Unknown	No	Yes
Section 9/J: Program Specific Requirements ESG Present	3 Yes - 2 No	Yes	No	No	Yes	Yes
Missing or Discrepancies in Sec 9 to Published ESG	3 No - 2 U	No	Unknown	Unknown	No	No

Table 1: Elements of Action Plan Inventory Continued						
Elements of Action Plan	**1998-2002**	**1998**	**1999**	**2000**	**2001**	**2002**
Home Program Executive Summary or Program Description Present	3 Yes - 1 No - 1 wrong year	Yes	1998 wrong year	Yes	Yes	No
Proposed Use of HOME funds narrative agrees with Published	3 No - 2 U	No	Unknown	No	No	Unknown
Proposed Use of HOME funds narrative agrees with 20/20	3 No - 2 U	No	Unknown	No	No	Unknown
HOME Allocation of Money Table agrees with 20/20	3 No - 2 U	No	Unknown	No	No	Unknown
Notice of Public Hearing Publication in AP	5 Yes	Yes	Yes	Yes	Yes	Yes
Minutes of City Council Public Hearing in Action Plan	4 Yes - 1 No	Yes	No	Yes	Yes	Yes
Public Comments at Public Hearing in Action Plan	5 Yes	Yes	Yes	Yes	Yes	Yes
Does Section 4/C Narrative say Council Minutes adopting AP are in AP	3 Yes - 2 No	Yes	Yes	Yes	No	No
Are Minutes of City Council Meeting Adopting the Block Grant Resolution in AP	3 Yes - 2 No	No	No	Yes	Yes	No
Does Section 4/C Narrative say Council Resolution adopting Final AP are in AP	5 Yes	Yes	Yes	Yes	Yes	Yes
Is the Council Block Grant Resolution with Final Allocations in AP	4 Yes - 1 No	No	Yes	Yes	Yes	Yes
Were the Published Recommendations changed in the Final Allocations Resolution	3 No - 2 Yes	No	Yes	No	No	Yes

The Sections which provide both individual specificity, and totals are: 1) the Publication copy; 2) the Program Description and; 3) the 20/20 sheets. The 20/20 sheets are HUD-designed forms with fields which the city completes with information concerning an individual grant. These sheets provide the most comprehensive information concerning a grant including the recipient, the grant amount, HUD-defined use categories, date of funding, types of entities served, proposed quantities for accomplishments, and most importantly—they provide an assigned Project ID number which is unique to each grant. A unique number assigned to each record allows a database to be constructed with a Primary Key that makes it possible to track specific grants over the course of time, prevent duplication of records, and help determine the source of errors when they occur. *[Please reference Appendice 2 for a sample 20/20 sheet]*

If the 20/20 sheets are themselves erroneous, or if a specific grant's 20/20 sheet is missing from the Action Plan then it becomes necessary to compare several sections from an Action Plan, to correctly determine actual allocations. In some cases it becomes necessary to consult the end-of-year CAPER to verify an Action Plan allocation. The three sections that were present in five out of five plans were: 1) the Publication; 2) the Narrative and; 3) the 20/20 sheets. Even though there were discrepancies in totals and specifics for three out of the five years, use of these three sections in a spreadsheet and record-by-record comparison allowed the researcher to determine what had actually been allocated, to whom, and where the errors were. The following Tables 2 and 3 are spreadsheets created to compare totals in types of Block Grant, funding sources and differences between total dollar amounts published, in narratives and in 20/20s:

Table 2: Action Plan Sources Total Comparisons with Discrepancies

	1998	1999	2000	2001	2002	Totals
Narrative CDBG	$7,601,361	$5,969,000	$5,574,000	$5,756,000	$5,886,000	**$30,786,361**
Narrative ESG	$218,000	$198,000	$197,000	$197,000	$196,000	**$1,006,000**
Narrative HOME	$1,793,000	$1,933,000	$1,934,000	$2,154,000	$2,153,000	**$9,967,000**
Narrative Total	**$9,612,361**	**$8,100,000**	**$7,705,000**	**$8,107,000**	**$8,235,000**	**$41,759,361**
Published CDBG	$7,601,361	$5,969,000	$5,574,000	$6,056,000	$6,106,000	**$31,306,361**
Published ESG	$218,000	$198,000	$197,000	$197,000	$196,000	**$1,006,000**
Published HOME	$2,261,984	$1,933,000	$1,934,000	$2,154,000	$2,153,000	**$10,435,984**
Published Total	**$10,081,345**	**$8,100,000**	**$7,705,000**	**$8,407,000**	**$8,455,000**	**$42,748,345**
20-20 CDBG	$7,591,352	$5,923,753	$5,574,000	$5,756,000	$6,070,000	**$30,915,105**
20-20 ESG	$218,000	$167,500	$197,000	$197,000	$196,000	**$975,500**
20-20 HOME	$2,261,984	$1,933,000	$1,934,000	$2,154,000	$2,153,000	**$10,435,984**
20-20 Total	**$10,071,336**	**$8,024,253**	**$7,705,000**	**$8,107,000**	**$8,419,000**	**$42,326,589**
Action Plan Diff Published and Narrative	**($468,984)**	**$0**	**$0**	**($300,000)**	**($220,000)**	**($988,984)**
Action Plan Diff Published and 20/20	**($10,009)**	**($75,747)**	**$0**	**$300,000**	**$36,000**	**$250,244**
Action Plan Diff Narrative and 20/20	**($478,993)**	**($75,747)**	**$0**	**$0**	**($184,000)**	**($738,740)**

Table 3: Action Plan Sources - Discrepancies; Program Income and Reprogrammed Totals

	1998 Discrepancies Exist	1999 Discrepancies Exist	2000 No Discrepancies	2001 No Discrepancies	2002 Discrepancies Exist	TOTAL
AP Differences: Published and Narrative	$ (468,984)	$ -	$ -	$ (300,000)	$ (220,000)	**$ (988,984)**
AP Differences: Published and 20/20	$ (10,009)	$ (75,747)	$ -	$ 300,000	$ 36,000	**$ 250,244**
AP Differences: Narrative and 20/20	$ (478,993)	$ (75,747)	$ -	$ -	$ (184,000)	**$ (738,740)**
FOLLOWING FROM PUBLICATIONS:						
CDBG Program Income	**$ 400,000**	**$ 400,000**	$ -	**$ 300,000**	**$ 220,000**	**$ 1,320,000**
HOME Program Income	**$ 249,000**	$ -	$ -	$ -	$ -	**$ 249,000**
Total Program Income	**$ 649,000**	**$ 400,000**	$ -	**$ 300,000**	**$ 220,000**	**$ 1,569,000**
CDBG Reprogrammed	**$ 1,666,361**	$ -	$ -	$ -	$ -	**$ 1,666,361**
HOME Reprogrammed	**$ 219,984**	$ -	$ -	$ -	$ -	**$ 219,984**
Total Reprogrammed	**$ 1,886,345**	$ -	$ -	$ -	$ -	**$ 1,886,345**
CDBG New	**$ 5,535,000**	**$ 5,569,000**	**$5,574,000**	**$5,756,000**	**$ 5,886,000**	**$28,320,000**
CDBG Program Income	**$ 400,000**	**$ 400,000**	$ -	**$ 300,000**	**$ 220,000**	**$ 1,320,000**
CDBG Reprogrammed	**$ 1,666,361**	$ -	$ -	$ -	$ -	**$ 1,666,361**
TOTAL CDBG	**$ 7,601,361**	**$ 5,969,000**	**$5,574,000**	**$6,056,000**	**$ 6,106,000**	**$31,306,361**
HOME New	**$ 1,793,000**	**$ 1,933,000**	**$1,934,000**	**$2,154,000**	**$ 2,153,000**	**$ 9,967,000**
HOME Program Income	**$ 249,000**	$ -	$ -	$ -	$ -	**$ 249,000**
HOME Reprogrammed	**$ 219,984**	$ -	$ -	$ -	$ -	**$ 219,984**
TOTAL HOME	**$ 2,261,984**	**$ 1,933,000**	**$1,934,000**	**$2,154,000**	**$ 2,153,000**	**$10,435,984**
ESG New	**$ 218,000**	**$ 198,000**	**$ 197,000**	**$ 197,000**	**$ 196,000**	**$ 1,006,000**
TOTALS for YEAR						
CDBG	$ 7,601,361	$ 5,969,000	$ 5,574,000	$ 6,056,000	$ 6,106,000	**$31,306,361**
HOME	$ 2,261,984	$ 1,933,000	$ 1,934,000	$ 2,154,000	$ 2,153,000	**$10,435,984**
ESG	$ 218,000	$ 198,000	$ 197,000	$ 197,000	$ 196,000	**$ 1,006,000**
1998-2002 TOTALS	**$ 10,081,345**	**$ 8,100,000**	**$7,705,000**	**$8,407,000**	**$ 8,455,000**	**$42,748,345**

Analysis of Discrepancies

1998

The total amount of ESG, CDBG and HOME allocations were added together and a grand total calculated for the Published, Narrative and 20/20 sections. A discrepancy of $468,984 was found between the grand total of Published and Narrative. Although the Narrative total included Reprogrammed and Program Income for CDBG, the Narrative total for HOME did not. Reprogrammed HOME for this year was $219,984 and HOME Program Income was $249,000. The total of these two figures ($468,984) accounts for this discrepancy.

A discrepancy of $10,009 was found between grand total of Published and 20/20s. The Published grand total of CDBG was $7,601,361 and the 20/20 CDBG grand total was $7,591,352, the difference is $10,009. Grant 98-30CD to the Food Bank was Published as $52,941 but the 20/20 allocated $42,941, this is a $10,000 difference. Grant 98-39 CD to Metro Housing Partnership was Published as $42,959 and the 20/20 allocated $42,950, this is a $9 difference. Added together, these two grants account for the discrepancy of $10,009.

1999

The total amount of ESG, CDBG and HOME allocations were added together and a grand total calculated for the Published, Narrative and 20/20 sections. A discrepancy of $75,747 was found between the grand total Published and the 20/20s. Two Published CDBG allocations were missing 20/20 sheets: a grant to the YWCA for $45,247; and an ESG grant to Community

Mental Health for $30,500. The sum of these two grants ($75,747) accounts for the difference.

Although the grand total dollar amounts were now in balance an interesting occurrence was observed in the HOME allocations. Two grants made to the City of Flint-DCED had one amount Published, and another amount in the 20/20. Additionally, a Published grant to Community Capital Development Corporation [CCDC] was then given to the City in the 20/20. For illustration:

Grantee	Published	20/20	Difference
City of Flint DCED-HOME Administration	$337,000	$193,300	-$143,700
City of Flint DCED-Homeownership Zone	$250,000	$406,200	+$156,200
CCDC – CHDO Operating	$ 12,500	$0	-$ 12,500
Net Difference	$599,500	$599,500	$0

2000

The total amount of ESG, CDBG and HOME allocations were added together and a grand total calculated for the Published, Narrative and 20/20 sections. There are no discrepancies found in this year.

2001

The total amount of ESG, CDBG and HOME allocations were added together and a grand total calculated for the Published, Narrative and 20/20 sections. There are no discrepancies found in this year.

2002

The total amount of ESG, CDBG and HOME allocations were added together and a grand total calculated for the Published, Narrative and 20/20 sections. There were several anomalies and/or discrepancies found in CDBG for this year.

A discrepancy of $220,000 was found between the Published CDBG totals, and the CDBG Narrative. CDBG Program Income of $220,000 was included in the grand total for the Published amounts, but not in the Narrative. This accounts for the discrepancy in this category.

A discrepancy of $36,000 was found between the CDBG Published and 20/20 amounts. The specifics that account for this were more complex, please see following Table 4:

Table 4: 2002 CDBG Allocations – Resolution, Published, 20/20 and Discrepancies

Grant	Recipient	Program	Resolution	Published	20/20	Net Diff Pub/2020
CDBG	City of Flint - DCED	Administration	$ 1,002,200	$ 1,002,200	$ 1,002,200	$ -
CDBG	Enterprise Community	EC/RC Strategic Mgmt.	$ 175,000	$ 175,000	$ 175,000	$ -
CDBG	CCDC	Lending Circle	$ 55,500	$ 55,500	$ 55,500	$ -
CDBG	Metro Chamber of Commerce	Community Business Partnerships	$ 75,000	$ 75,000	$ 75,000	$ -
CDBG	Metro Chamber of Comm.	Prescriptive Counseling	$ 52,150	$ 52,150	$ 52,150	$ -
CDBG	Catholic Charities	Soup Kitchen Improvement	$ 25,200	$ 25,200	$ 25,200	$ -
CDBG	City of Flint – Parks & Recreation	Kearsley Non-motorized Trail	$ 90,000	$ 90,000	$ -	$ 90,000
CDBG	CCDC	Housing Rehab	$ 184,950	$ 184,950	$ 184,950	$ -
CDBG	Disability Network	Ramps & Accessibility	$ 192,000	$ 192,000	$ 192,000	$ -
CDBG	Flint NIPP	Emergency Repair	$ 950,000	$ 950,000	$ 950,000	$ -
CDBG	Flint NIPP	TA to Neighborhoods	$ -	$ 30,000	$ -	$ 30,000
CDBG	Flint West Village	Commercial Facade	$ 36,000	$ 36,000	$ 36,000	$ -
CDBG	Flint West Village	Owner Occupied Rehab	$ 70,000	$ 70,000	$ 70,000	$ -
CDBG	GCCARD	Owner Occupied Rehab	$ 750,000	$ 750,000	$ 750,000	$ -
CDBG	Salem Housing	Buy Now Home Purchase	$ 139,000	$ 139,000	$ 139,000	$ -
CDBG	Salem Housing	Community Development	$ 50,000	$ 50,000	$ 50,000	$ -
CDBG	Big Brothers/Big Sisters	Mentor Recruitment	$ 5,000	$ 5,000	$ 50,000	$ (45,000)
CDBG	Catholic Charities	Feeding the Poor	$ 9,000	$ 9,000	$ 9,000	$ -
CDBG	City of Flint - HRC	Fair Housing Project	$ 63,229	$ 63,229	$ 63,229	$ -
CDBG	City of Flint - HRC	VISTA Drop-In Center	$ 20,000	$ 20,000	$ 20,000	$ -
CDBG	City of Flint - Law Dept.	Victim Advocacy	$ 25,000	$ 25,000	$ 25,000	$ -
CDBG	City of Flint – P & R	Senior Center Services	$ 130,000	$ 130,000	$ 130,000	$ -
CDBG	Comm. Recovery Srvcs.	Project Independence	$ 20,000	$ 20,000	$ 20,000	$ -
CDBG	Fairwinds Girl Scouts	Scholarships	$ 3,000	$ 3,000	$ 3,000	$ -
CDBG	Fairwinds Girl Scouts	Troops in Public Housing	$ 20,000	$ 20,000	$ 20,000	$ -
CDBG	Flint Community Schools	Camp Flint	$ 48,500	$ 48,500	$ 48,500	$ -
CDBG	Food Bank of Eastern Michigan	Emergency Feeding Program	$ 20,000	$ 20,000	$ 20,000	$ -
CDBG	Garfield BD Park		$ 22,000	$ -	$ -	$ -
CDBG	Genesee County Youth Corp. - REACH		$ 30,000	$ 30,000	$ 30,000	$ -
	Genesee County Youth Corp. - REACH	Transitional Living	$ -	$ 22,000	$ 22,000	$ -
CDBG	Greater Flint/Thumb 4C's	Child Care Scholarships	$ 15,000	$ 15,000	$ 15,000	$ -
CDBG	Hurley Foundation	Violence Intervention	$ 35,000	$ 35,000	$ 35,000	$ -
CDBG	Legal Services of Eastern Michigan	Fair Housing	$ 47,500	$ 47,500	$ 47,500	$ -
CDBG	Metro Housing Partnership	Housing Counseling	$ 36,500	$ 36,500	$ 36,500	$ -
CDBG	Salem Housing	FUGLUC	$ 39,000	$ 9,000	$ 30,000	$ (21,000)
CDBG	Salem Housing	FUGLUC	$ -	$ -	$ 9,000	$ (9,000)
CDBG	Salem Housing	FUGLUC	$ -	$ -	$ 9,000	$ (9,000)
CDBG	Salem Housing	Buying and Beyond	$ 20,000	$ 20,000	$ 20,000	$ -
CDBG	Shelter of Flint	Program Operations/Staff	$ 50,000	$ 50,000	$ 50,000	$ -
CDBG	Spanish Speaking Info C	SSIC Programs	$ 24,000	$ 24,000	$ 24,000	$ -
CDBG	St. Agnes	Food Pantry	$ 9,500	$ 9,500	$ 9,500	$ -
CDBG	Transition House	Medical Services	$ 21,771	$ 21,771	$ 21,771	$ -
CDBG	YWCA	Domestic Violence	$ 45,000	$ 45,000	$ 45,000	$ -
CDBG	City of Flint - DPW	Demolition	$ 1,500,000	$ 1,500,000	$ 1,500,000	$ -
CDBG	**TOTALS**	**NET DIFFERENCE**	**$ 6,106,000**	**$6,106,000**	**$6,070,000**	$ 36,000
Resolution says total is $5,886,000 although Program Income is included in specific grants in resolution and true Published total is $6,106,000			$ 5,886,000			

As Table 4 illustrates, there were six instances in which different grants and/or different grant amounts appeared in the Published allocations, City Council Resolution and/or 20/20 sheets. These are:

Recipient	Published	Resolution	20/20	Net Diff
City of Flint-P & R	$90,000	$90,000	$0	$90,000
Flint NIPP-TA	$30,000	$0	$0	$30,000
Big Brothers/BS	$ 5,000	$ 5,000	$50,000	($45,000)
Salem Housing FUGLUC	$ 9,000	$39,000	$30,000	($21,000)
Salem Housing FUGLUC	$0	$0	$ 9,000	($ 9,000)
Salem Housing FUGLUC	$0	$0	$ 9,000	($ 9,000)
NET DIFFERENCE	$134,000	$134,000	$98,000	$36,000

[NOTE – The Salem Housing FUGLUC Grant had duplicate 20/20 sheets for $9,000 each, with the same Project ID#, but different Matrix Codes.]

While there were no discrepancies in the total amounts of HOME dollars Published and 20/20 sheets there were some anomalies in the listings of who these funds were allocated to.

Recipient	Published	Resolution	20/20	Net Diff
CCDC CHDO Operating	$ 15,000	$ 15,000	$0	($15,000)
Flint NIPP CHDO Operating	$ 15,000	$ 15,000	$0	($15,000)
Flint West Village CHDO Operating	$ 15,000	$ 15,000	$0	($15,000)

Eastside Housing Activities	$425,000	$425,000	$425,000	$0
Greater Eastside Community Assoc.	$425,000*	$0	$0	$425,000*
Salem Housing CHDO Operating	$ 25,000	$ 25,000	$0	($25,000)
Recipient	Published	Resolution	20/20	Net Diff
City of Flint DCED - HOME CHDO Operating	$0	$0	$ 70,000	$70,000
NET DIFFERENCE	$920,000	$495,000	$495,000	$425,000

There appear to be two different scenarios that account for these anomalies. The first involves $70,000 that in the Published and Resolution is given specifically to four sub-recipients for CHDO Operating activities. In the 20/20 the funds are listed under one lump sum with the entity named as HOME CHDO Operating (City of Flint – DCED). This is the only occurrence in the five years of Action Plans that this device is used.

The second anomaly is the treatment of a sum of $425,000 listed in the Publication twice. This sum is both listed as Eastside Housing Activities and as Greater Eastside Community Association, under a heading with an asterisk noting CWAC Recommended. This is the only occurrence in the five years of Action Plans that this device is used. While the sum is listed twice in the

Published--the Resolution and 20/20 ultimately lists the sum only once, with the final allocation to Eastside Housing Activities (City of Flint – DCED).

TOTAL ACTION PLAN ALLOCATIONS AND AMENDMENTS

At this point in the study it should be possible to calculate all allocations made (1998-2002), by type of block grant, recipient, category description, program, etc. Published amendments made to the Consolidated Plan in January of 2003, for funds originally allocated during the time period of 1995 through 2003 however, present a dilemma. Do the original allocations present a fair and accurate picture of how the City of Flint is utilizing Block Grants? Or is it necessary to incorporate (i.e., recalculate) the allocations made as amended? The reprogrammed amount is considerable ($3,544,401 or 8% of a five year total) and as such it greatly alters total amounts and percentages allocated to specific activities, and recipients. The difficulty lies with the manner in which the amendments were made, the fact that the FROM and TO amounts do not exactly correlate with any specific year nor do the time periods (and amounts) correlate with the time period of this study. The study is 1998-2002 and the amendments incorporate reprogramming of funds from 1995-2003. The Published amendments are also inconsistent in noting what activity the funds were originally allocated for, and how the reprogrammed funds will be used (i.e., the activity or category of use). The recipient TO and FROM is alternately listed as an entity and/or the descriptive for a target area, or activity. On some occasions the entity listed as FROM (and the FROM amount) is combined as two entities (not individually quantified) which makes it impossible to track an original grant-record source. For examples please see the following reproduction of the Published Amendment in Table 5.

Table 5: Amendments

CITY OF FLINT
NOTICE OF COMMENT PERIOD
FOR SUBSTANTIAL AMENDMENT
TO THE CONSOLIDATED PLAN
And Notice of Minor Amendment Reprogramming

In accordance with 24CFR (Code of Federal Regulations) part 91, Subpart B, the City of Flint is required to amend its Consolidated Plan whenever it carries out an activity or activities using funds for any program covered by the Consolidated Plan not previously described in the Action Plan, in accordance with the City of Flint Citizens' Participation Plan. Citizens must also be afforded the opportunity to provide comments to such changes.

The Consolidated Plan (from various years) is being amended to recapture unspent funds from the following years and reprogram to other activities as identified in the following charts:

SUBSTANTIAL AMENDMENTS TO THE CONSOLIDATED PLAN

HOME

FROM	Year	Amount	TO	Amount	Description
Court Street Village	1995	$ 500,000		$ 21,770	REACH – Transitional Living Facility
Court Street Village	1996	$ 251,000		$ 200,000	Flint NIPP
Infill Housing	1999	$ 500,000		$ 215,000	Salem Housing
Transition House, Court Street Village	2000	$ 75,000		$ 818,000	Carriage Town/3rd Ave. Rehabilitation
Infill Housing	2000	$ 427,800		$ 818,000	Flint Park Lake Rehabilitation
Infill Housing: Housing Development Projects	2001	$ 359,000		$ 265,030	Homeownership Zone Rehabilitation
Eastside Housing Activities	2002	$ 425,000		$ 200,000	Windcliff DPA
	TOTAL	**$ 2,537,800**		**$ 2,537,800**	$0

CDBG

FROM	Year	Amount	TO	Amount	Description
Administration	2001	$ 100,000		$ 220,000	Water Looping
Genesee Council of the Blind	2001	$ 7,600		$ 152,753	Flint West Village Demolition
Court Street, Emergency Repairs	2001	$ 25,000		$ 245,848	Pierson: Dupont-ML King Road Project
Infill Housing - Rehabilitation	2001	$ 225,000			
Neighborhood Cleanup	2001	$ 100,000			
City Demolition	2001	$ 161,001			
	TOTAL	**$ 618,601**		**$ 618,601**	$0

MINOR AMENDMENTS TO THE CONSOLIDATED PLAN - INFORMATIONAL PURPOSES ONLY

CDBG

FROM	Year	Amount	TO	Amount	Description
Infill Housing - Planning	1999	$ 19,000		$ 100,753	Police officers/community policing
City Demolition/Fire Trucks	2002	$ 272,000		$ 65,000	McDonald's Demolition
GBD	2003	$ 7,000		$ 35,000	FAEC
				$ 47,247	Flint West Village Demolition
				$ 50,000	626 Begole Street Rental Rehabilitation
	TOTAL	**$ 298,000**		**$ 298,000**	

HOME

FROM	Year	Amount	TO	Amount	Description
Court Street Village	1998	$ 90,000		$ 15,000	GECA CHDO Operating
				$ 75,000	REACH Transitional Living Facility
	TOTAL	**$ 90,000**		**$ 90,000**	

The citizens' comment period on the substantial amendment begins January 4, 2003 and ends on February 3, 2003. Comments should be submitted in writing to the Major Grants Department.

Although it would be preferable to summarize Action Plan allocations which would include the Amendments, it's not possible to do so without the accompanying Action Plan 20/20 sheets which provide specificity for categorization, or information provided in CAPER reports. The Amendments as Published in Table 4 do not provide enough information to accurately categorize these Amendments, or changes. It would require cross-checking with the 2003 CAPER, which is outside the time period of this study.

Methodology of Action Plan Source of Funds Summarization and Results

All data for this section was acquired from the annual Action Plans 1998-2002. The following summarizations were obtained from figures in the Published (or Publication) section of the Action Plans:

- 1998-2002 Total City of Flint Block Grant
- 1998-2002 By Type of Block Grant and Totals By Year
- 1998-2002 Total Block Grant by Type and Percentage
- 1998-2002 Block Grant By Year and Source
- 1998-2002 Total Block Grant By Source and Percentage

Chart 1.

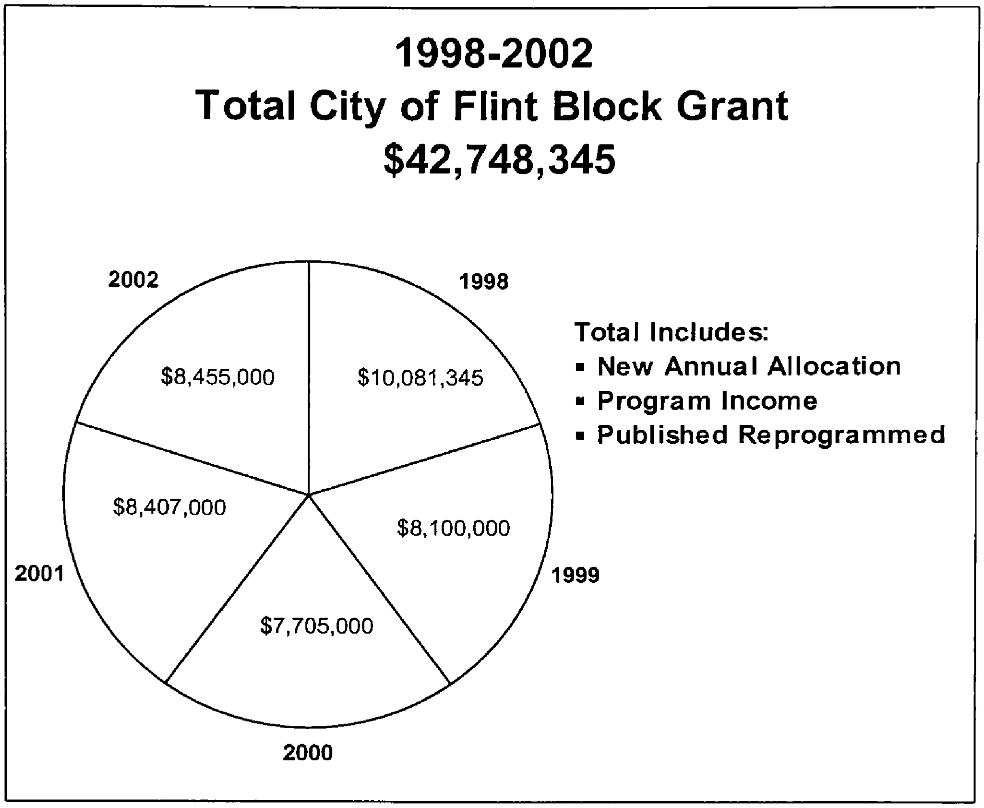


Chart 2.

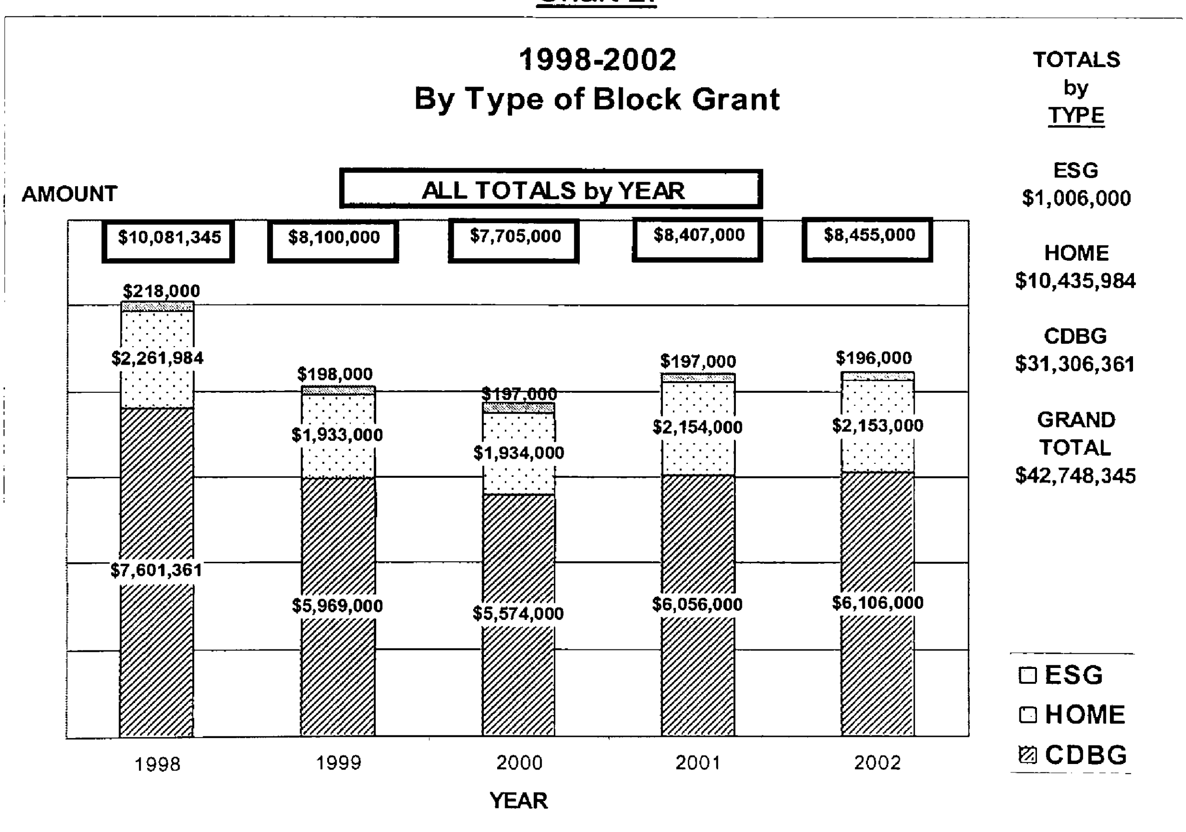


Chart 3.

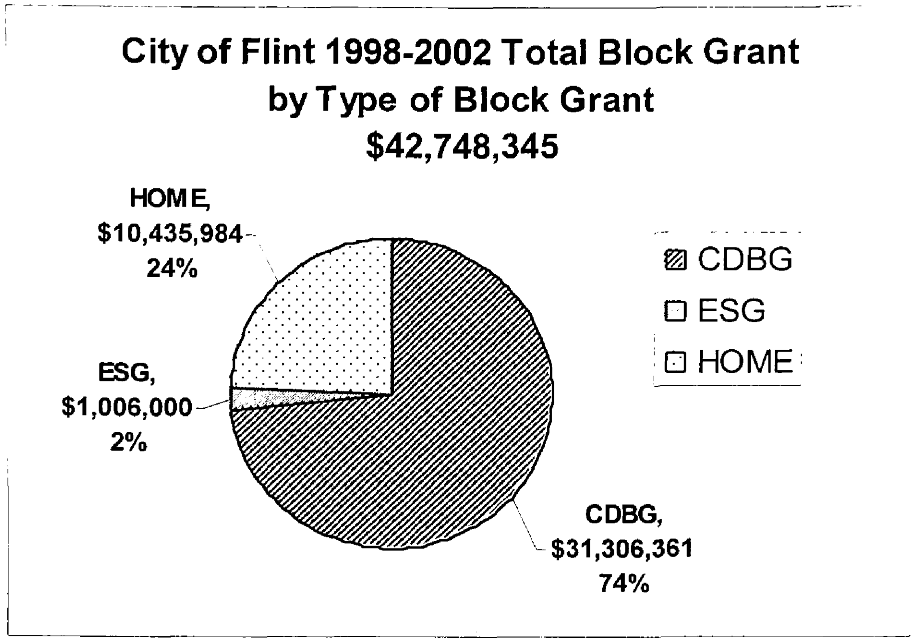


Chart 4.

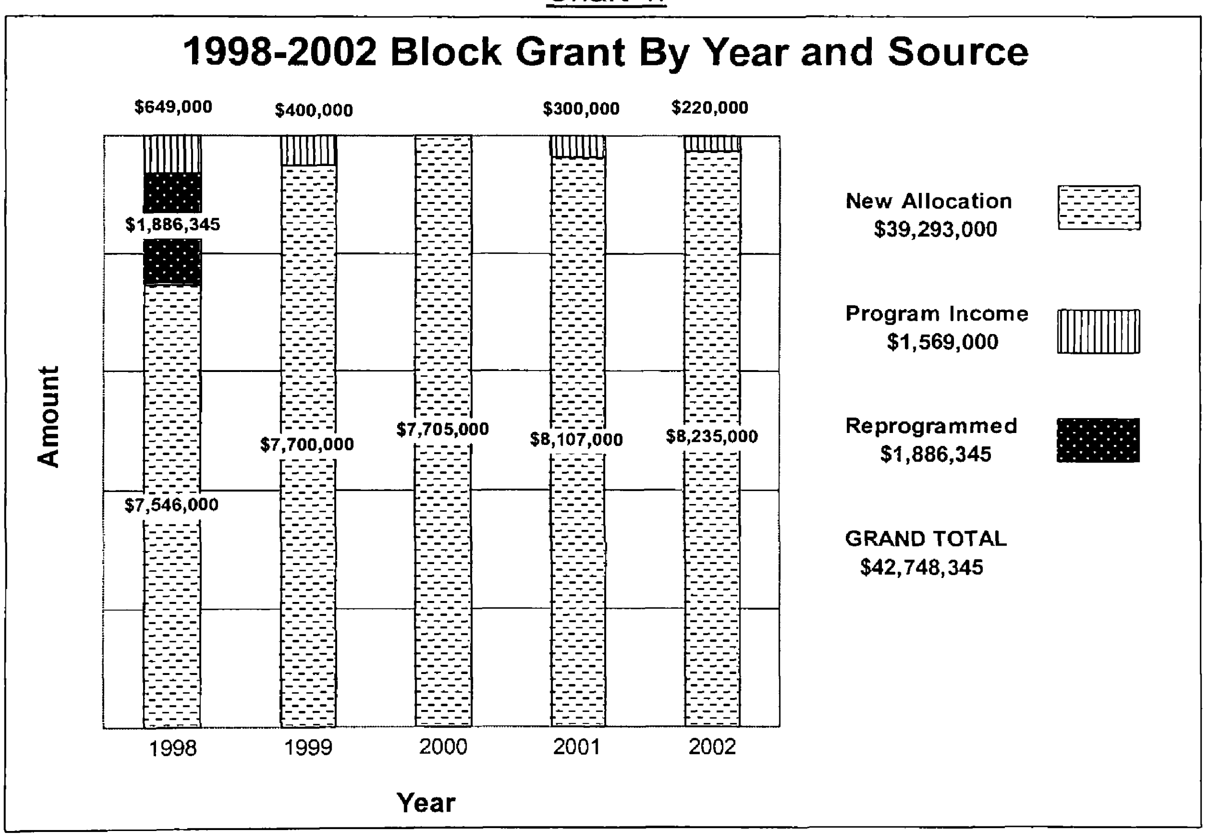
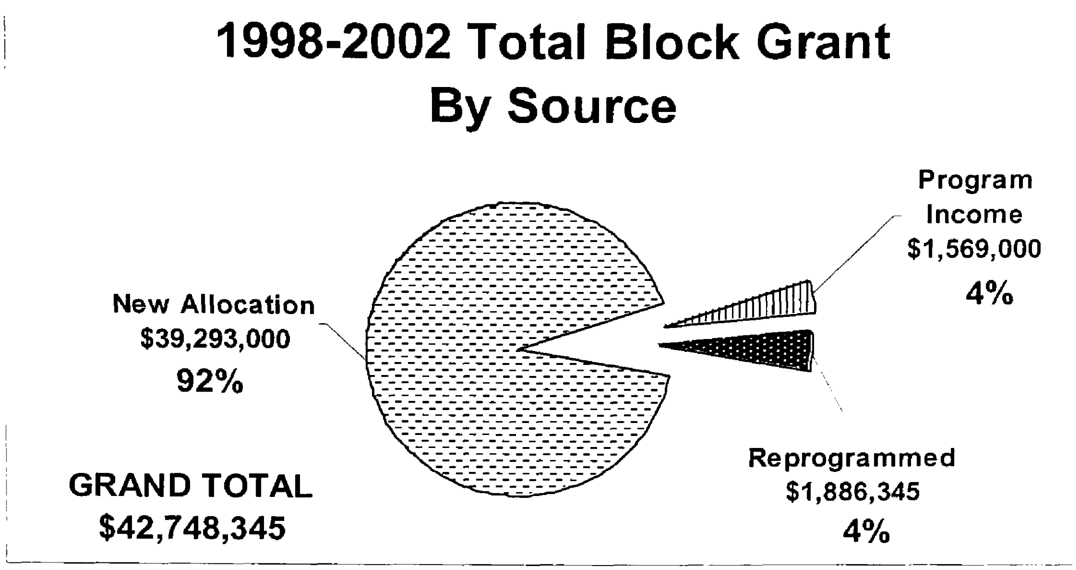


Chart 5.



METHODOLOGY OF TYPE OF BLOCK GRANT ALLOCATION SUMMARIES AND RESULTS

The three types of Block Grants (ESG, CDBG, HOME) each have specific regulations about how the funds may be used. For example, HOME funds can only be used for housing activities but CDBG funds can be used for many types of activities including housing, with the exception of new construction. They share however, a common categorization schedule provided by HUD which the 20/20 sheets calls the Project Title/Priority/Objective/Description. This study will reference the field as Category Description. Please reference Appendice 4 to see HUD's CPD-IDIS Reference Manual Section: B.3 HUD Matrix Codes.

Organizations and City of Flint Departments make application for grants in order to conduct programs (i.e., activities) which are eligible uses of the funding. The Major Grants Division makes the decision whether the program/activity is eligible, and they also determine which Matrix Code will be used to categorize the program and/or grant. During the five-year period of this study, HUD decided to change some categories of use, and which activities are categorized by which Matrix Code. For example, Demolition used to be categorized as Housing but is now categorized as Other. Data presented will be categorized as it was in the year of the report.

Specific Data Source for Type of Block Grant Summaries

Data for this section was derived from the Action Plan 20/20 sheets 1998-2002. There are discrepancies in the totals for the Type of Block Grants summaries compared to the totals for the Source of Block Grant Funds derived from the Action Plan Publication sections. For an explanation of these discrepancies please reference the previous ANALYSIS OF DISCREPANCIES.

Standardization of Data

In order to accurately summarize data it was necessary to create fields that were adaptations of the original information in the 20/20 sheets and standardize the spelling and/or mechanics of entries. For example, if a recipient changed its name during the five year study, but remained the same organization, one name had to be consistently used in order to summarize all allocations made to that recipient (i.e., Catholic Social Services changed to Catholic Charities).

Another common occurrence in Flint's data entry is alternate use of different versions of a recipient's name. For example, Community Capital Development Corporation might be listed as CCDC, Community Capital Dev.

Corporation, Community Capital Development Corp., etc. One version of the name had to be used in order to summarize utilizing the database software.

When the City of Flint is the recipient, various departments are the sub-recipients. When the department that administers the grant funds chooses to allocate a grant to itself for a particular project sometimes the recipient was listed in the name of the activity or target area (i.e., Homeownership Zone, Flint Park Lake Project, 3rd Avenue/Carriage Town) rather than the entity. This inconsistency in defining and naming necessitated a scheme for renaming in standardized fields.

1998-2002 Emergency Shelter Grants

The following charts were produced from summarization data obtained from the MS Access database. The Access reports can be found in Appendice 5.

Chart 6.

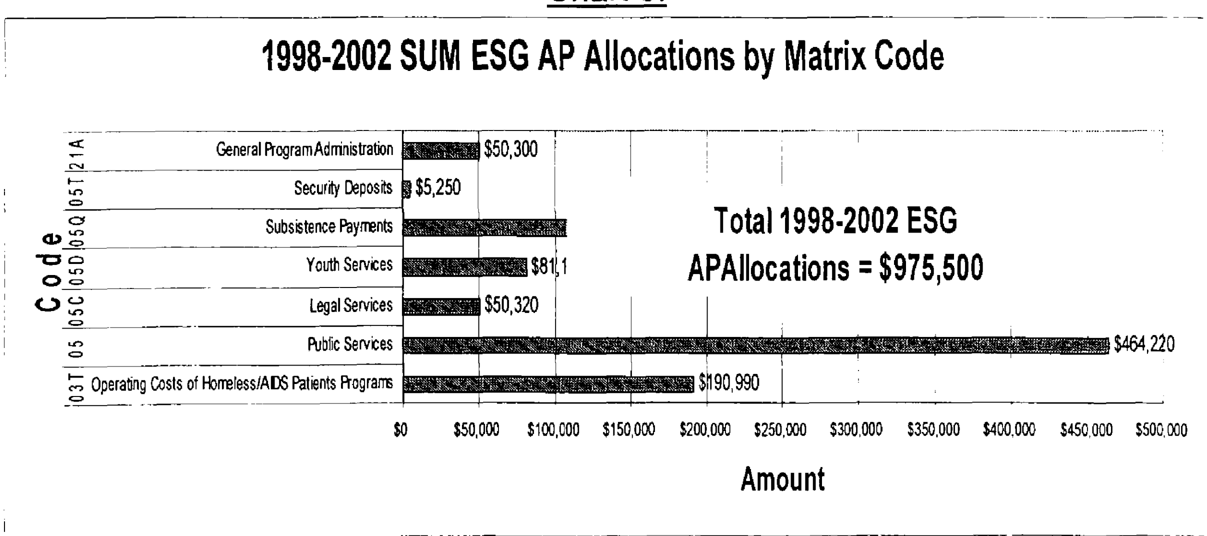


Chart 7.

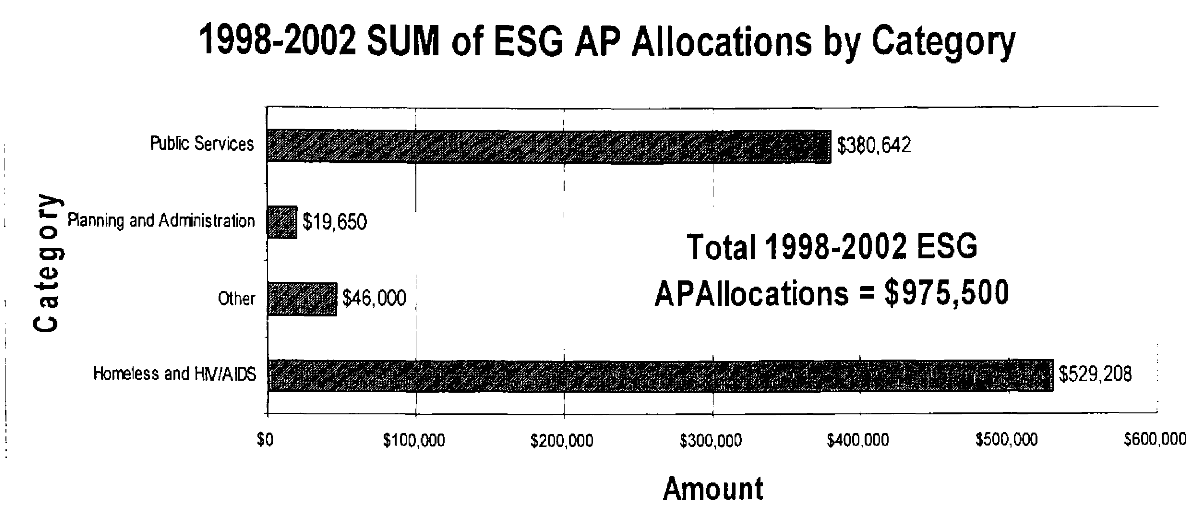


Chart 8.

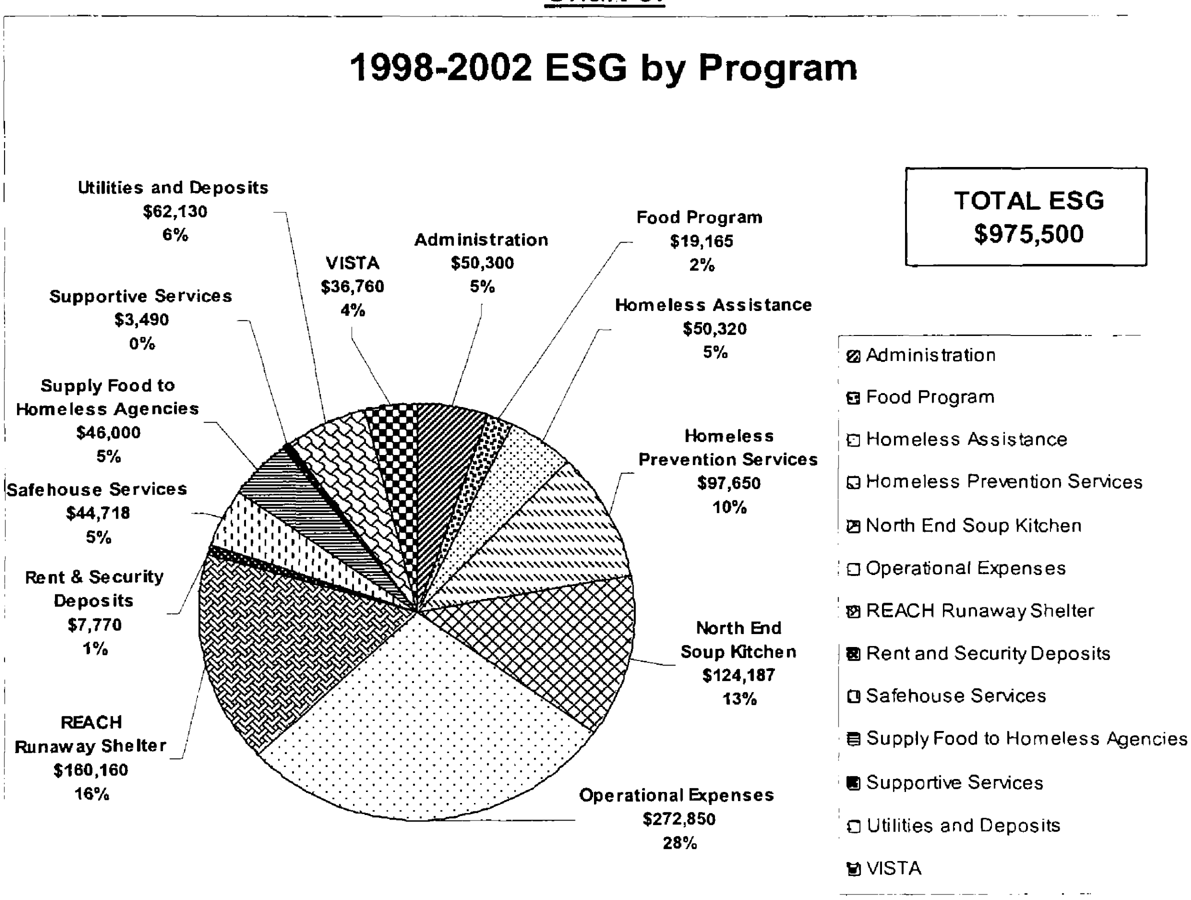
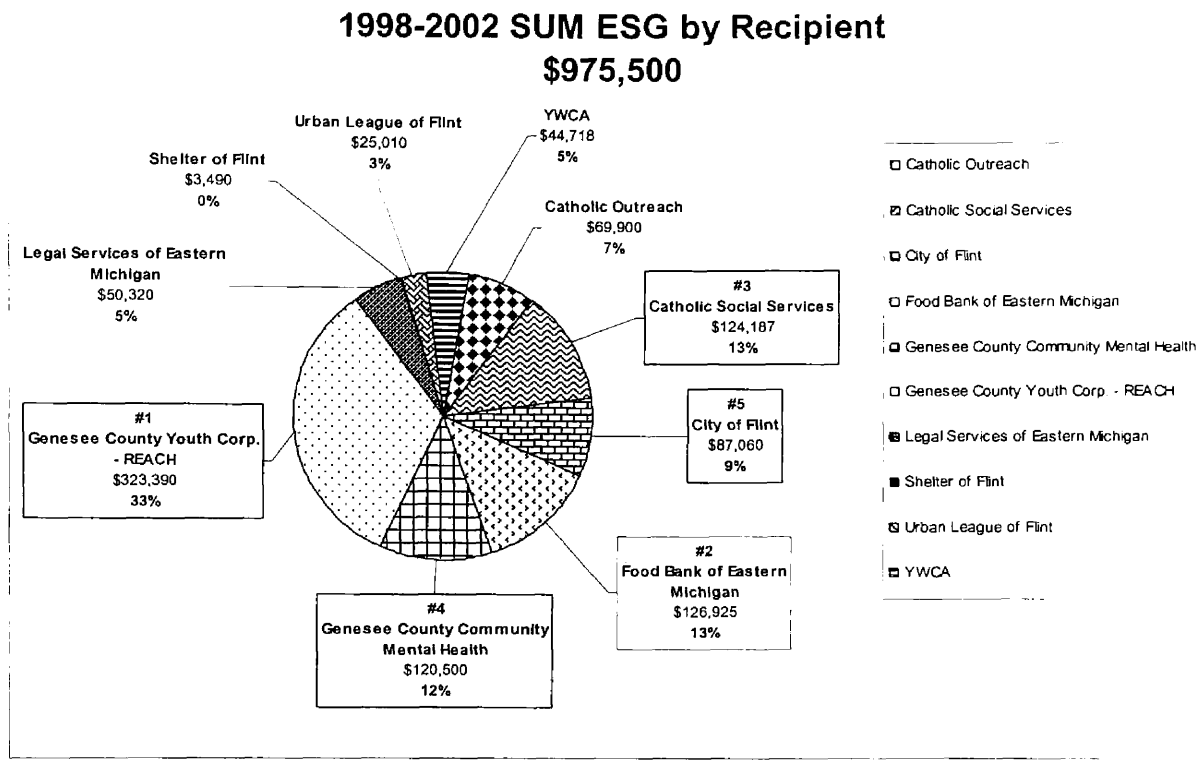


Chart 9.



1998-2002 HOME GRANTS

The following charts were produced from summarization data obtained from the MS Access database. The Access reports can be found in Appendice 6.

Chart 10.

1998-2002 SUM of HOME AP Allocations by Matrix Code

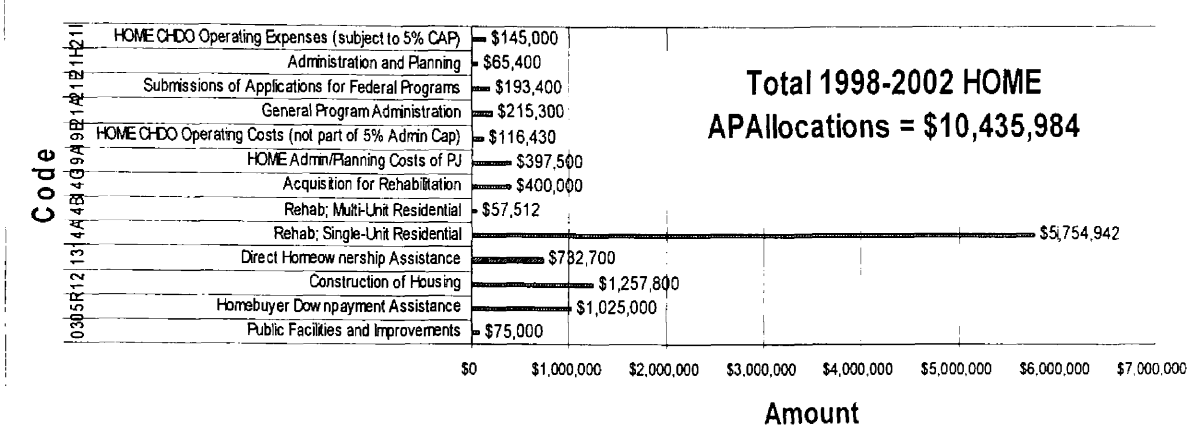


Chart 11.

1998-2002 SUM of HOME AP Allocations by Category

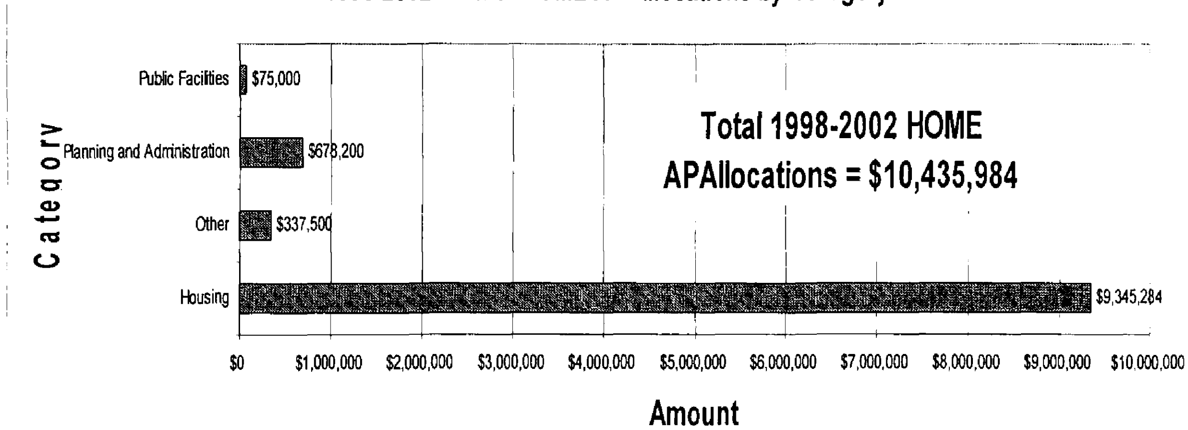


Chart 12.

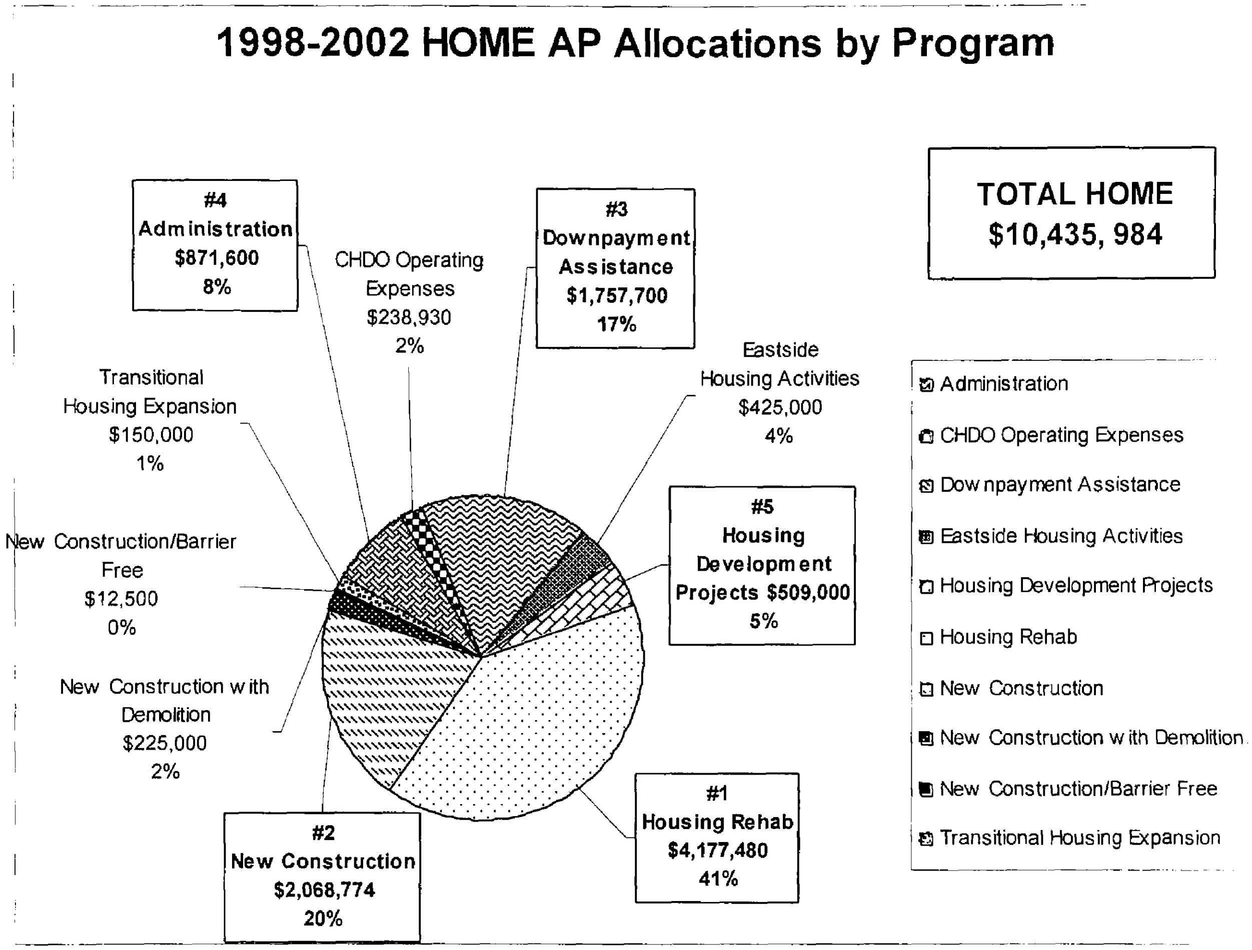

1998-2002 HOME AP Allocations by Program
TOTAL HOME $10,435, 984
#4 Administration $871,600 8%
CHDO Operating Expenses $238,930 2%
#3 Downpayment Assistance $1,757,700 17%
Eastside Housing Activities $425,000 4%
Transitional Housing Expansion $150,000 1%
#5 Housing Development Projects $509,000 5%
New Construction/Barrier Free $12,500 0%
New Construction with Demolition $225,000 2%
#1 Housing Rehab $4,177,480 41%
#2 New Construction $2,068,774 20%
Administration
CHDO Operating Expenses
Downpayment Assistance
Eastside Housing Activities
Housing Development Projects
Housing Rehab
New Construction
New Construction with Demolition
New Construction/Barrier Free
Transitional Housing Expansion

Chart 13.

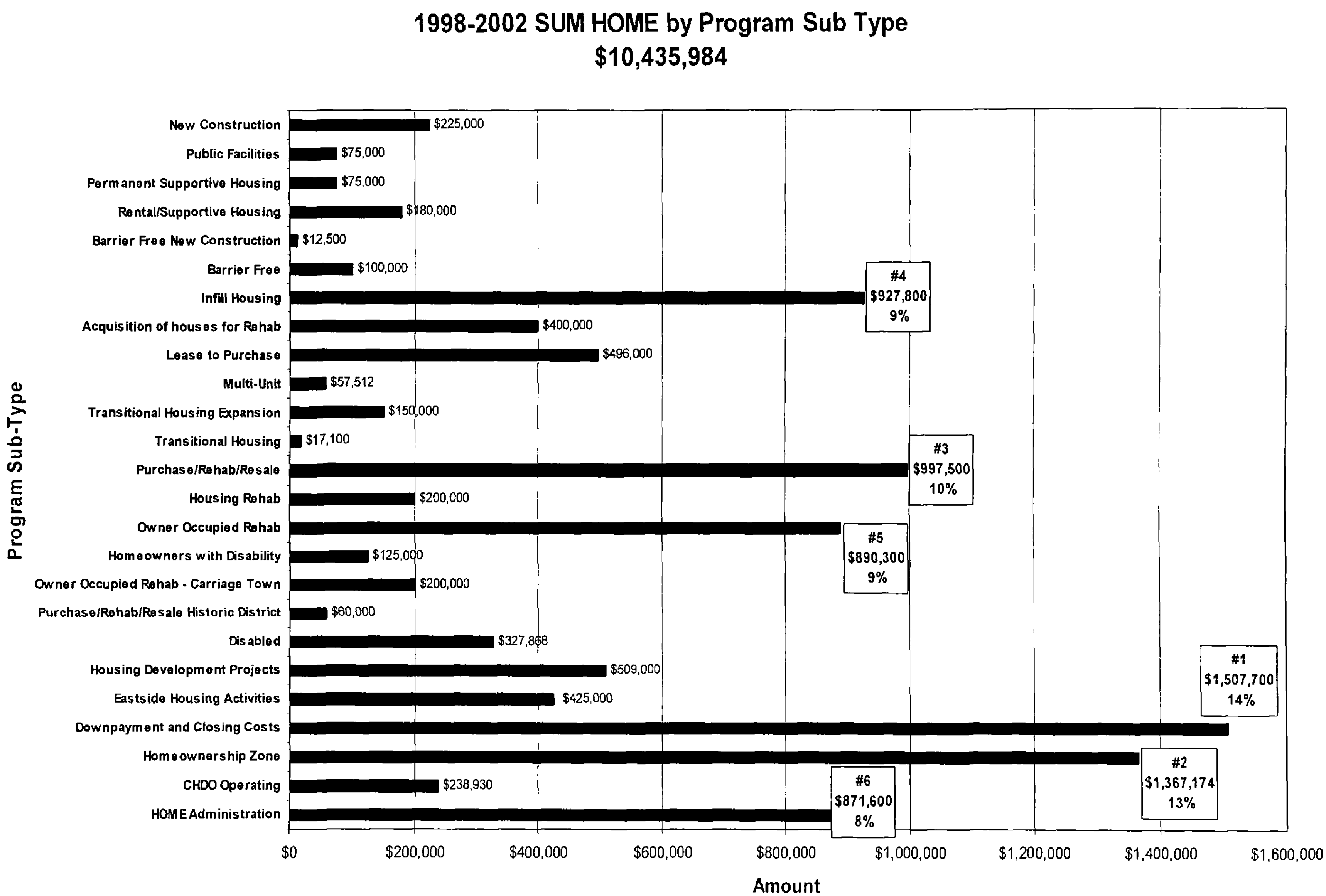

1998-2002 SUM HOME by Program Sub Type
$10,435,984
New Construction
$225,000
Public Facilities
$75,000
Permanent Supportive Housing
$75,000
Rental/Supportive Housing
$180,000
Barrier Free New Construction
$12,500
Barrier Free
$100,000
Infill Housing
#4
$927,800
9%
Acquisition of houses for Rehab
$400,000
Lease to Purchase
$496,000
Multi-Unit
$57,512
Transitional Housing Expansion
$150,000
Transitional Housing
$17,100
Purchase/Rehab/Resale
#3
$997,500
10%
Housing Rehab
$200,000
Owner Occupied Rehab
#5
$890,300
9%
Homeowners with Disability
$125,000
Owner Occupied Rehab - Carriage Town
$200,000
Purchase/Rehab/Resale Historic District
$60,000
Disabled
$327,868
Housing Development Projects
$509,000
Eastside Housing Activities
$425,000
Downpayment and Closing Costs
#1
$1,507,700
14%
Homeownership Zone
#2
$1,367,174
13%
CHDO Operating
$238,930
HOME Administration
#6
$871,600
8%
Program Sub-Type
$0
$200,000
$400,000
$600,000
$800,000
$1,000,000
$1,200,000
$1,400,000
$1,600,000
Amount

Chart 14.

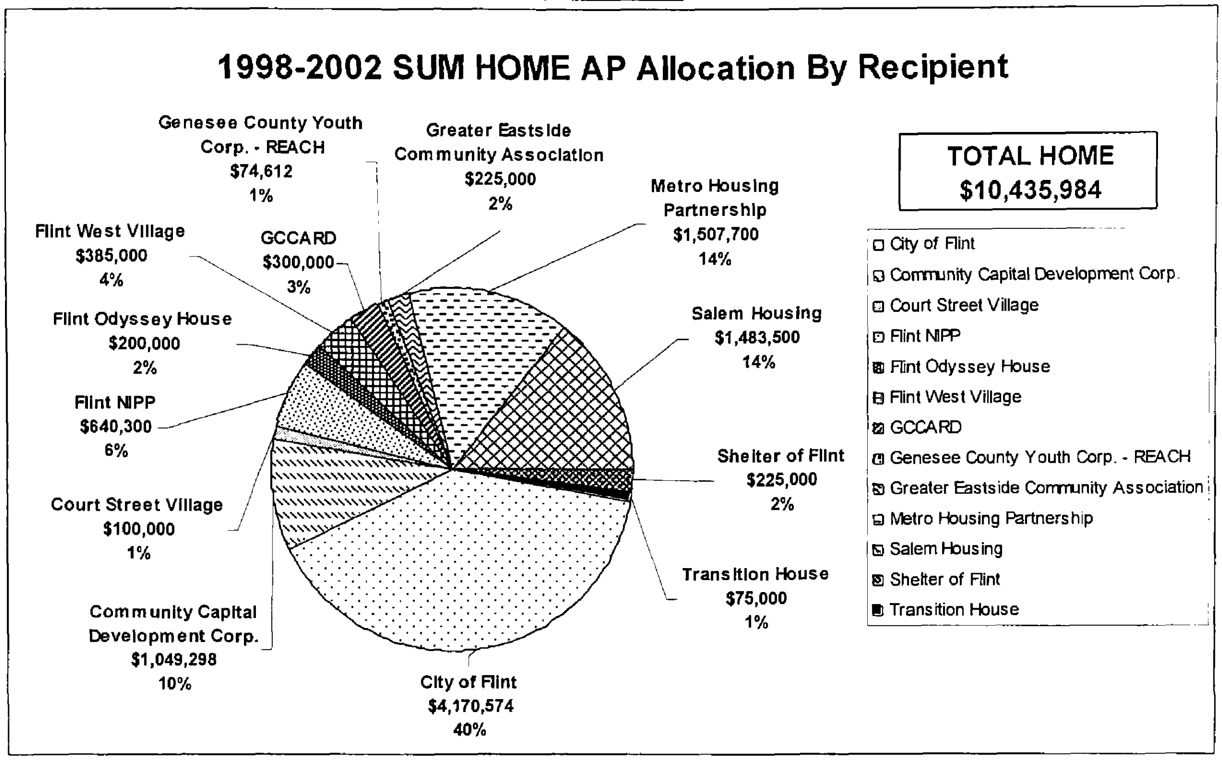
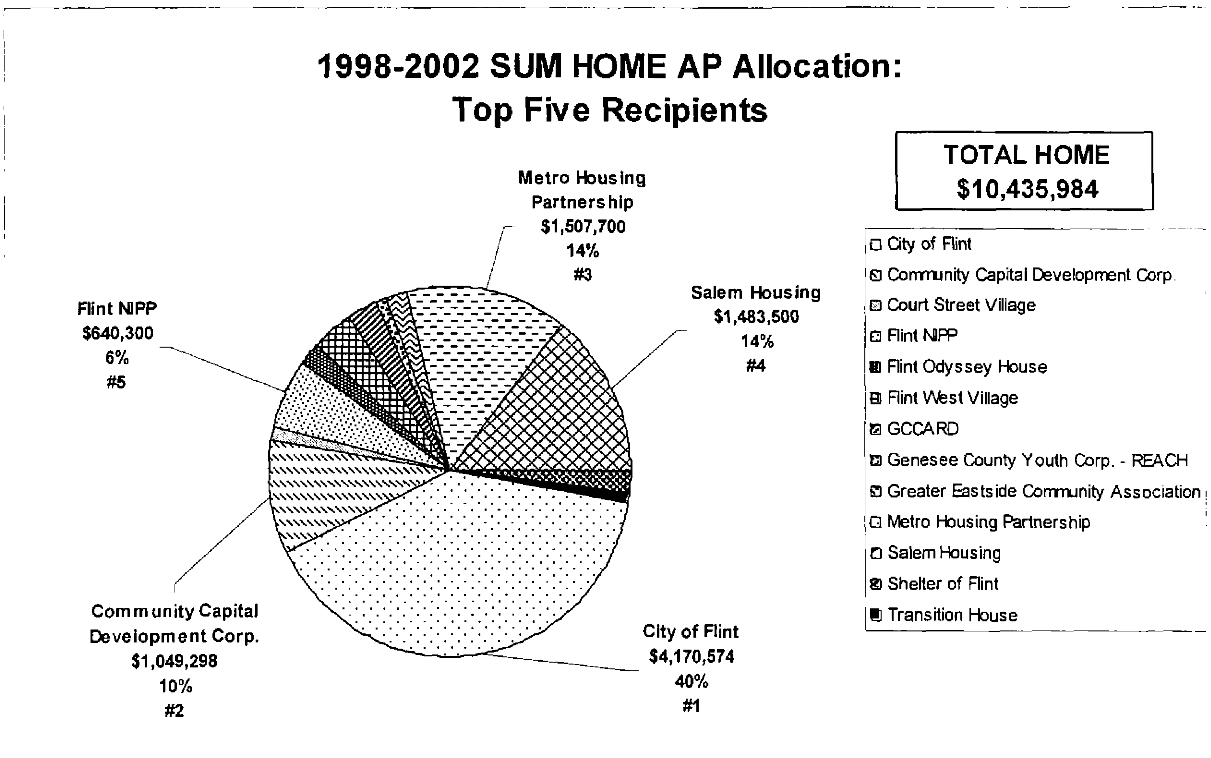


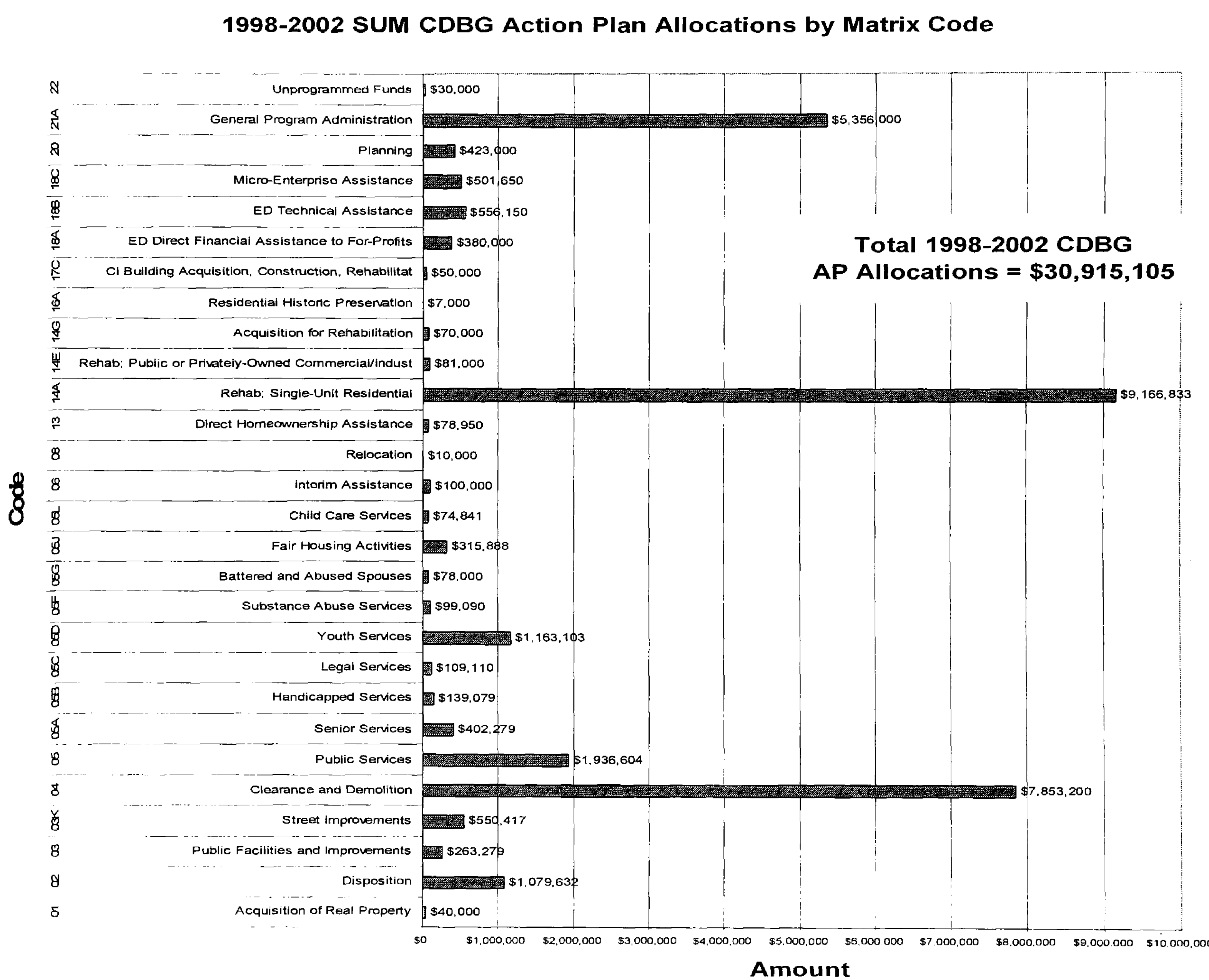
Chart 15.



1998-2002 CDBG Grants

The following charts were produced from summarization data obtained from the MS Access database. The Access reports can be found in Appendice 7. The five year Sum Total for CDBG, taken from the 20/20 sheets, is $30,915,105, this contrasts with the CDBG Sum Total in the Action Plan Publications which is $31,306,361. This $391,256 difference is explained in the Analysis of Discrepancies section.

Chart 16.



1998-2002 SUM CDBG Action Plan Allocations by Matrix Code
22 Unprogrammed Funds $30,000
21A General Program Administration $5,356,000
20 Planning $423,000
18C Micro-Enterprise Assistance $501,650
18B ED Technical Assistance $556,150
18A ED Direct Financial Assistance to For-Profits $380,000
17C CI Building Acquisition, Construction, Rehabilitat $50,000
16A Residential Historic Preservation $7,000
14G Acquisition for Rehabilitation $70,000
14E Rehab; Public or Privately-Owned Commercial/Indust $81,000
14A Rehab; Single-Unit Residential $9,166,833
13 Direct Homeownership Assistance $78,950
08 Relocation $10,000
06 Interim Assistance $100,000
05L Child Care Services $74,841
05J Fair Housing Activities $315,888
05G Battered and Abused Spouses $78,000
05F Substance Abuse Services $99,090
05D Youth Services $1,163,103
05C Legal Services $109,110
05B Handicapped Services $139,079
05A Senior Services $402,279
05 Public Services $1,936,604
04 Clearance and Demolition $7,853,200
03K Street Improvements $550,417
03 Public Facilities and Improvements $263,279
02 Disposition $1,079,632
01 Acquisition of Real Property $40,000
Total 1998-2002 CDBG
AP Allocations = $30,915,105
$0
$1,000,000
$2,000,000
$3,000,000
$4,000,000
$5,000,000
$6,000,000
$7,000,000
$8,000,000
$9,000,000
$10,000,000
Amount
Code

Chart 17.

1998-2002 CDBG Action Plan Allocations by Category

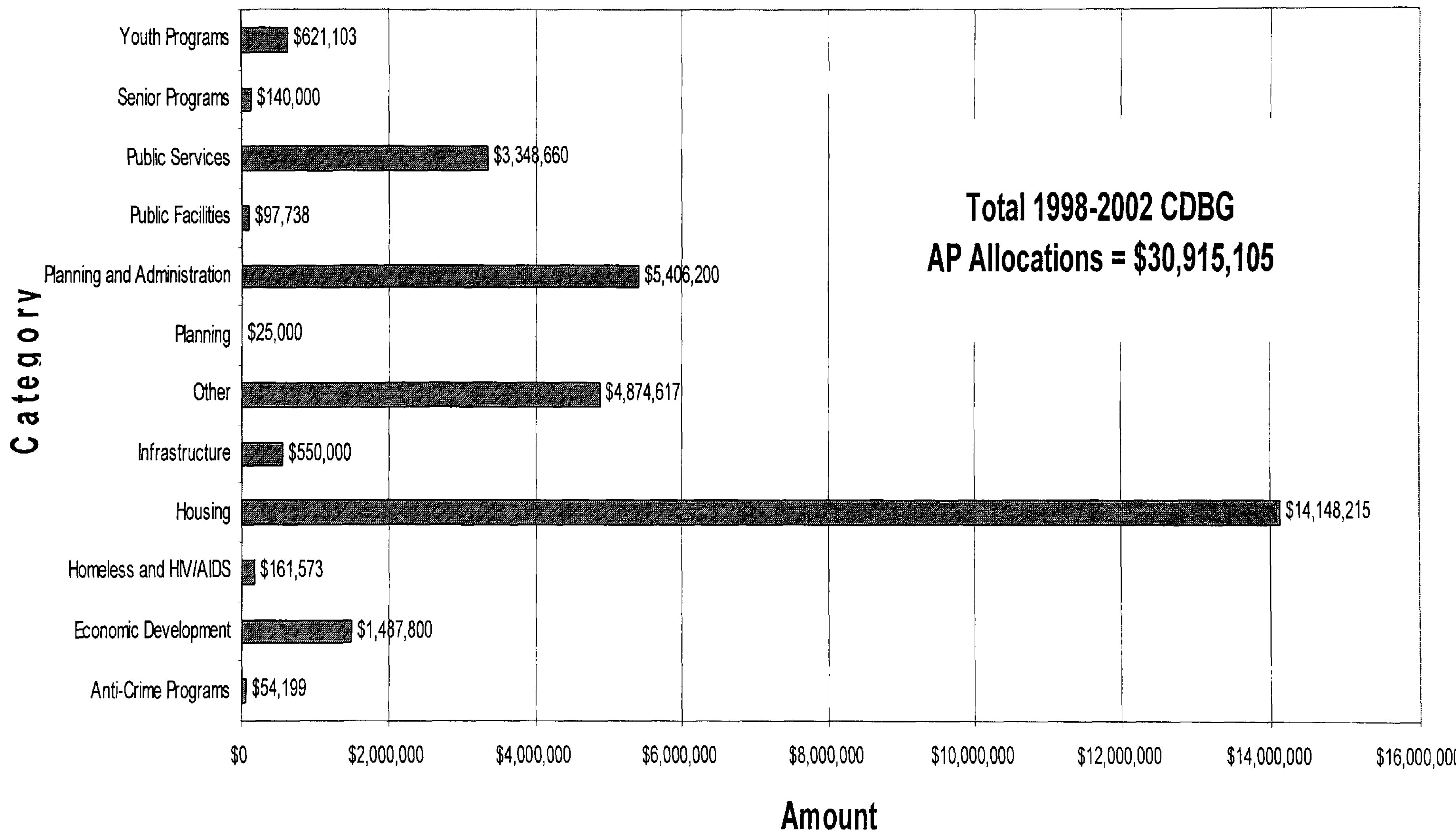


Chart 18.

1998-2002 CDBG Action Plan Allocations by Category

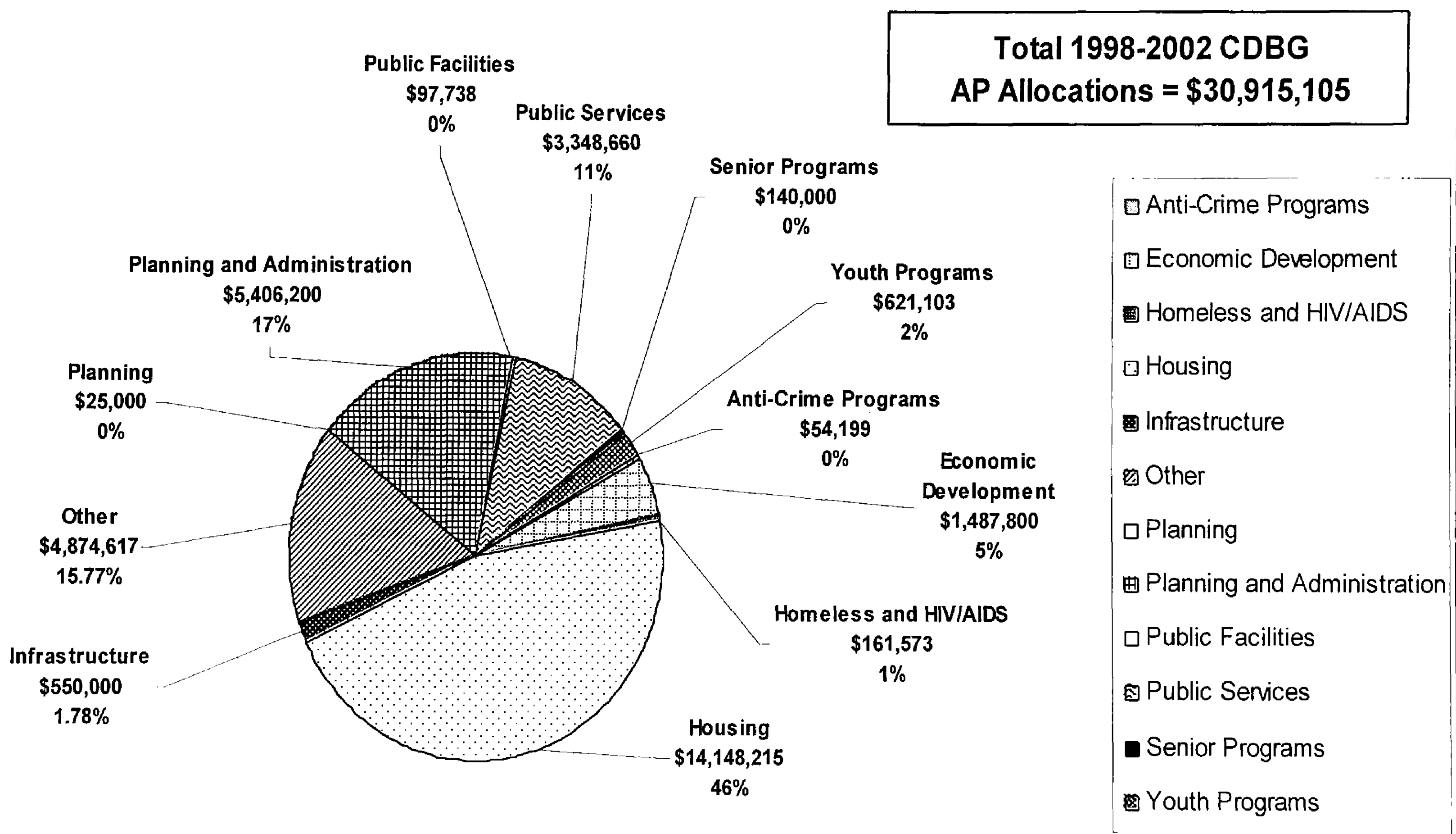


Chart 19.

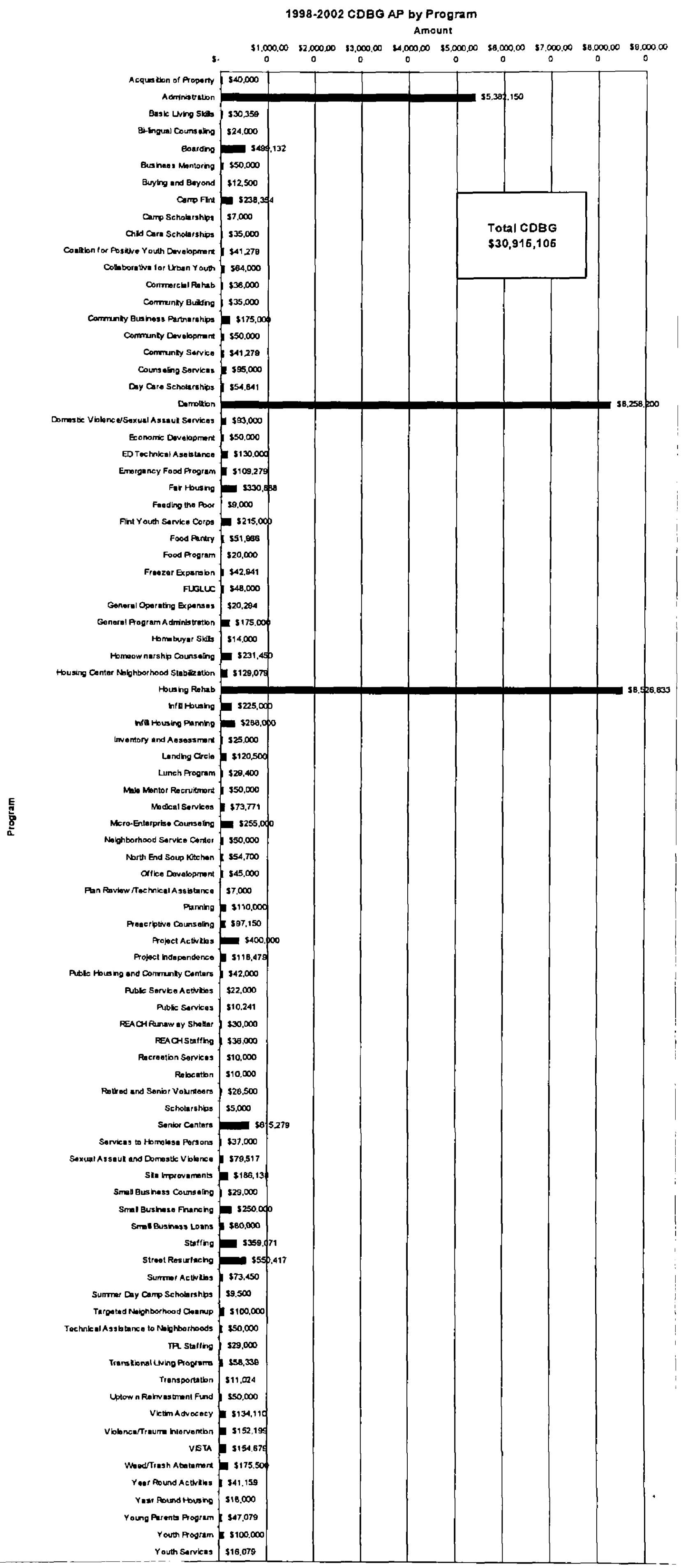

1998-2002 CDBG AP by Program
Amount
$-
$1,000,000
$2,000,000
$3,000,000
$4,000,000
$5,000,000
$6,000,000
$7,000,000
$8,000,000
$9,000,000
Program
Total CDBG $30,916,106
Acquisition of Property $40,000
Administration $5,382,150
Basic Living Skills $30,359
Bi-lingual Counseling $24,000
Boarding $499,132
Business Mentoring $50,000
Buying and Beyond $12,500
Camp Flint $238,354
Camp Scholarships $7,000
Child Care Scholarships $35,000
Coalition for Positive Youth Development $41,279
Collaborative for Urban Youth $64,000
Commercial Rehab $36,000
Community Building $35,000
Community Business Partnerships $175,000
Community Development $50,000
Community Service $41,279
Counseling Services $95,000
Day Care Scholarships $54,841
Demolition $8,258,200
Domestic Violence/Sexual Assault Services $93,000
Economic Development $50,000
ED Technical Assistance $130,000
Emergency Food Program $109,279
Fair Housing $330,888
Feeding the Poor $9,000
Flint Youth Service Corps $215,000
Food Pantry $51,986
Food Program $20,000
Freezer Expansion $42,941
FUGLUC $48,000
General Operating Expenses $20,294
General Program Administration $175,000
Homebuyer Skills $14,000
Homeownership Counseling $231,450
Housing Center Neighborhood Stabilization $129,079
Housing Rehab $8,526,833
Infill Housing $225,000
Infill Housing Planning $288,000
Inventory and Assessment $25,000
Lending Circle $120,500
Lunch Program $29,400
Male Mentor Recruitment $50,000
Medical Services $73,771
Micro-Enterprise Counseling $255,000
Neighborhood Service Center $50,000
North End Soup Kitchen $54,700
Office Development $45,000
Plan Review/Technical Assistance $7,000
Planning $110,000
Prescriptive Counseling $97,150
Project Activities $400,000
Project Independence $118,479
Public Housing and Community Centers $42,000
Public Service Activities $22,000
Public Services $10,241
REACH Runaway Shelter $30,000
REACH Staffing $38,000
Recreation Services $10,000
Relocation $10,000
Retired and Senior Volunteers $26,500
Scholarships $5,000
Senior Centers $615,279
Services to Homeless Persons $37,000
Sexual Assault and Domestic Violence $79,517
Site Improvements $186,130
Small Business Counseling $29,000
Small Business Financing $250,000
Small Business Loans $80,000
Staffing $359,071
Street Resurfacing $550,417
Summer Activities $73,450
Summer Day Camp Scholarships $9,500
Targeted Neighborhood Cleanup $100,000
Technical Assistance to Neighborhoods $50,000
TPL Staffing $29,000
Transitional Living Programs $58,338
Transportation $11,024
Uptown Reinvestment Fund $50,000
Victim Advocacy $134,110
Violence/Trauma Intervention $152,199
VISTA $154,679
Weed/Trash Abatement $175,500
Year Round Activities $41,159
Year Round Housing $16,000
Young Parents Program $47,079
Youth Program $100,000
Youth Services $16,079

Chart 20.

1998-2002 CDBG AP Allocations by Recipient: Total CDBG $30,915,105

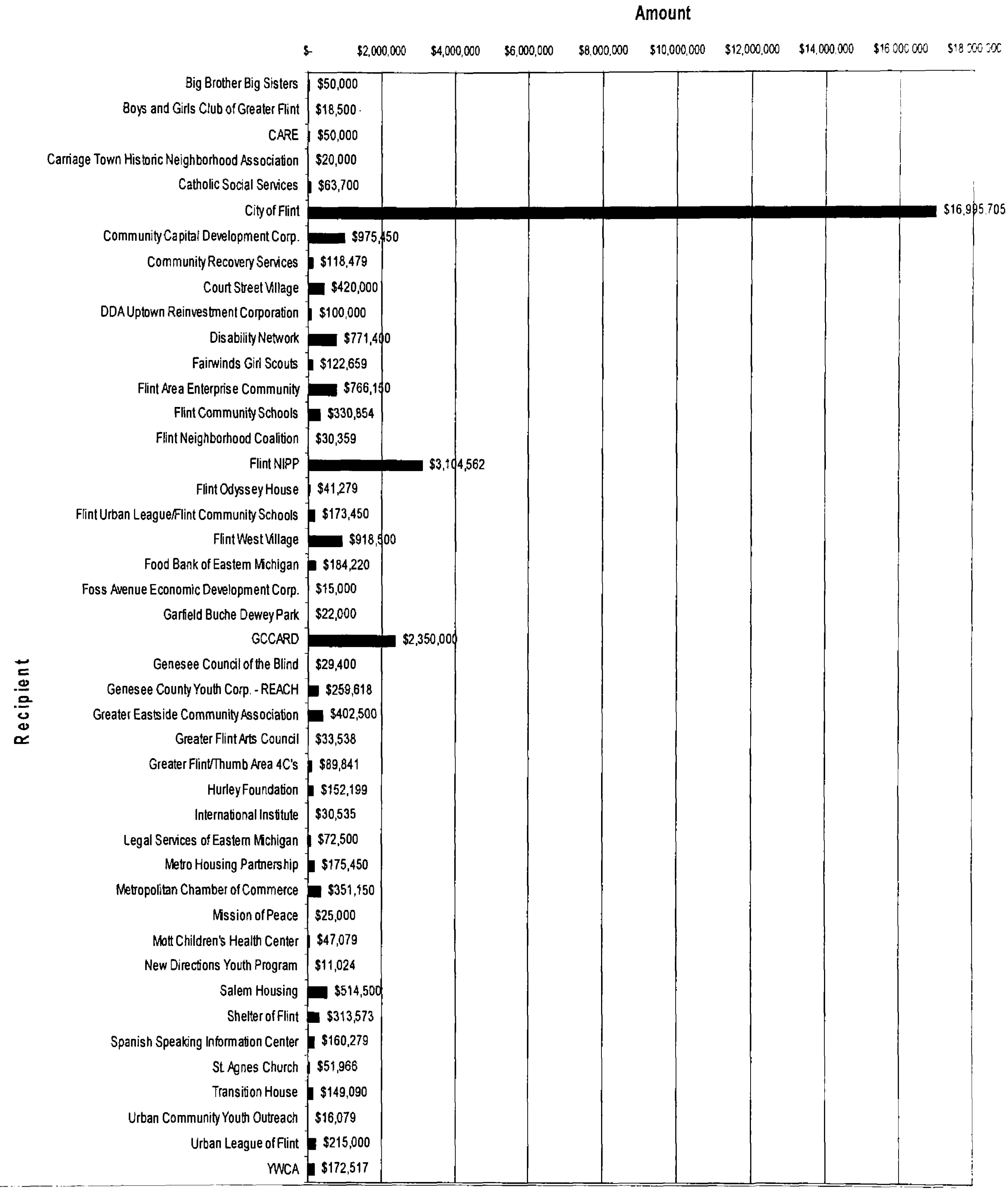
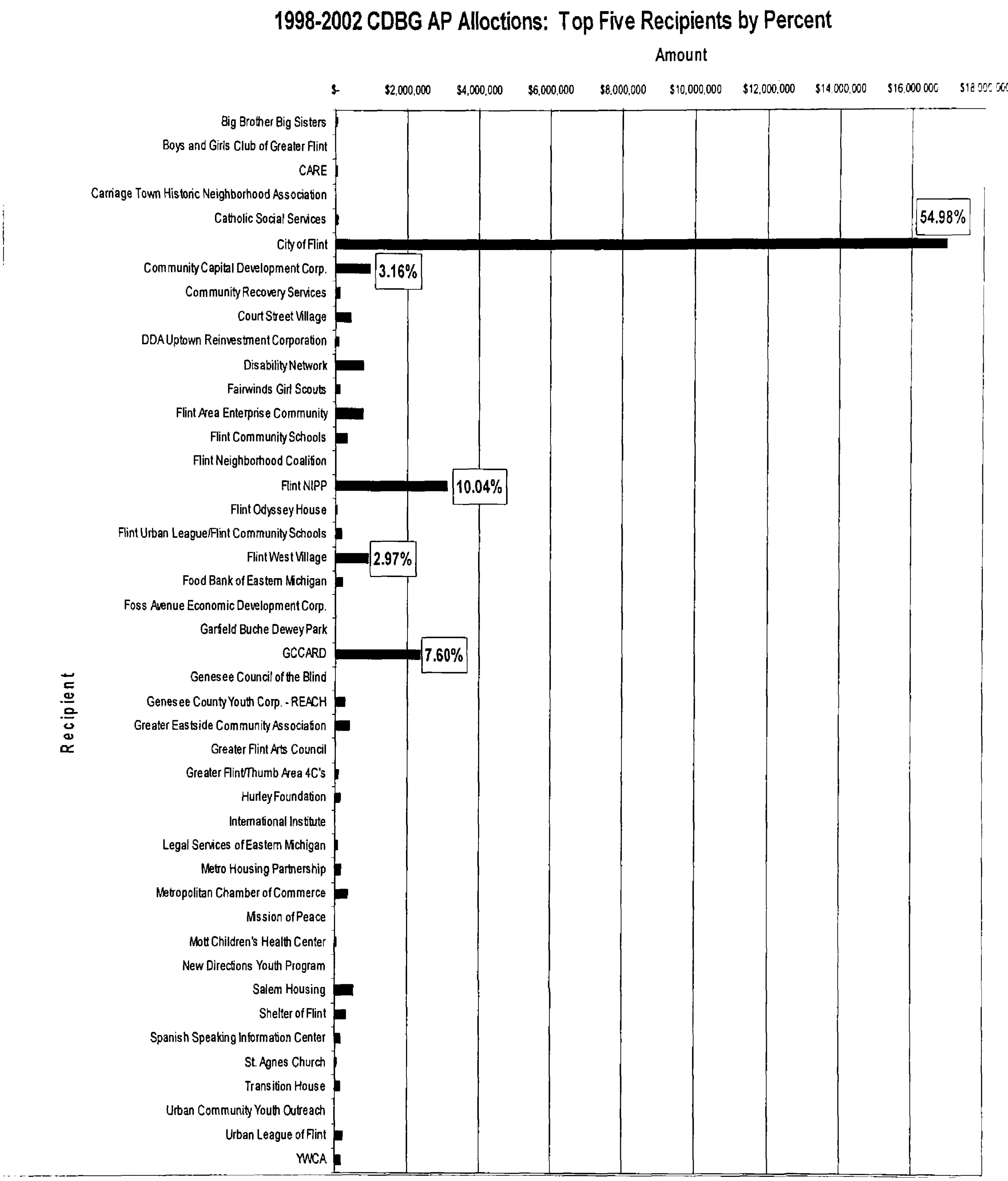


Chart 21.



1998-2002 CDBG AP Alloctions: Top Five Recipients by Percent
Amount
$-
$2,000,000
$4,000,000
$6,000,000
$8,000,000
$10,000,000
$12,000,000
$14,000,000
$16,000,000
Recipient
Big Brother Big Sisters
Boys and Girls Club of Greater Flint
CARE
Carriage Town Historic Neighborhood Association
Catholic Social Services
City of Flint
54.98%
Community Capital Development Corp.
3.16%
Community Recovery Services
Court Street Village
DDA Uptown Reinvestment Corporation
Disability Network
Fairwinds Girl Scouts
Flint Area Enterprise Community
Flint Community Schools
Flint Neighborhood Coalition
Flint NIPP
10.04%
Flint Odyssey House
Flint Urban League/Flint Community Schools
Flint West Village
2.97%
Food Bank of Eastern Michigan
Foss Avenue Economic Development Corp.
Garfield Buche Dewey Park
GCCARD
7.60%
Genesee Council of the Blind
Genesee County Youth Corp. - REACH
Greater Eastside Community Association
Greater Flint Arts Council
Greater Flint/Thumb Area 4C's
Hurley Foundation
International Institute
Legal Services of Eastern Michigan
Metro Housing Partnership
Metropolitan Chamber of Commerce
Mission of Peace
Mott Children's Health Center
New Directions Youth Program
Salem Housing
Shelter of Flint
Spanish Speaking Information Center
St. Agnes Church
Transition House
Urban Community Youth Outreach
Urban League of Flint
YWCA

1998-2002 ALL ALLOCATIONS OF ALL BLOCK GRANTS

The following charts were produced from summarization data obtained from the MS Access database. The Access reports can be found in Appendice 8. The five year Sum Total for ESG, CDBG and HOME, taken from the 20/20 sheets, is $42,326,589. This contrasts with the Sum Total of all grants in the Action Plan Publications which is $42,748,345. This $421,756 difference is explained in the ANALYSIS OF DISCREPANCIES section. Please also reference Table 2.

Chart 22.

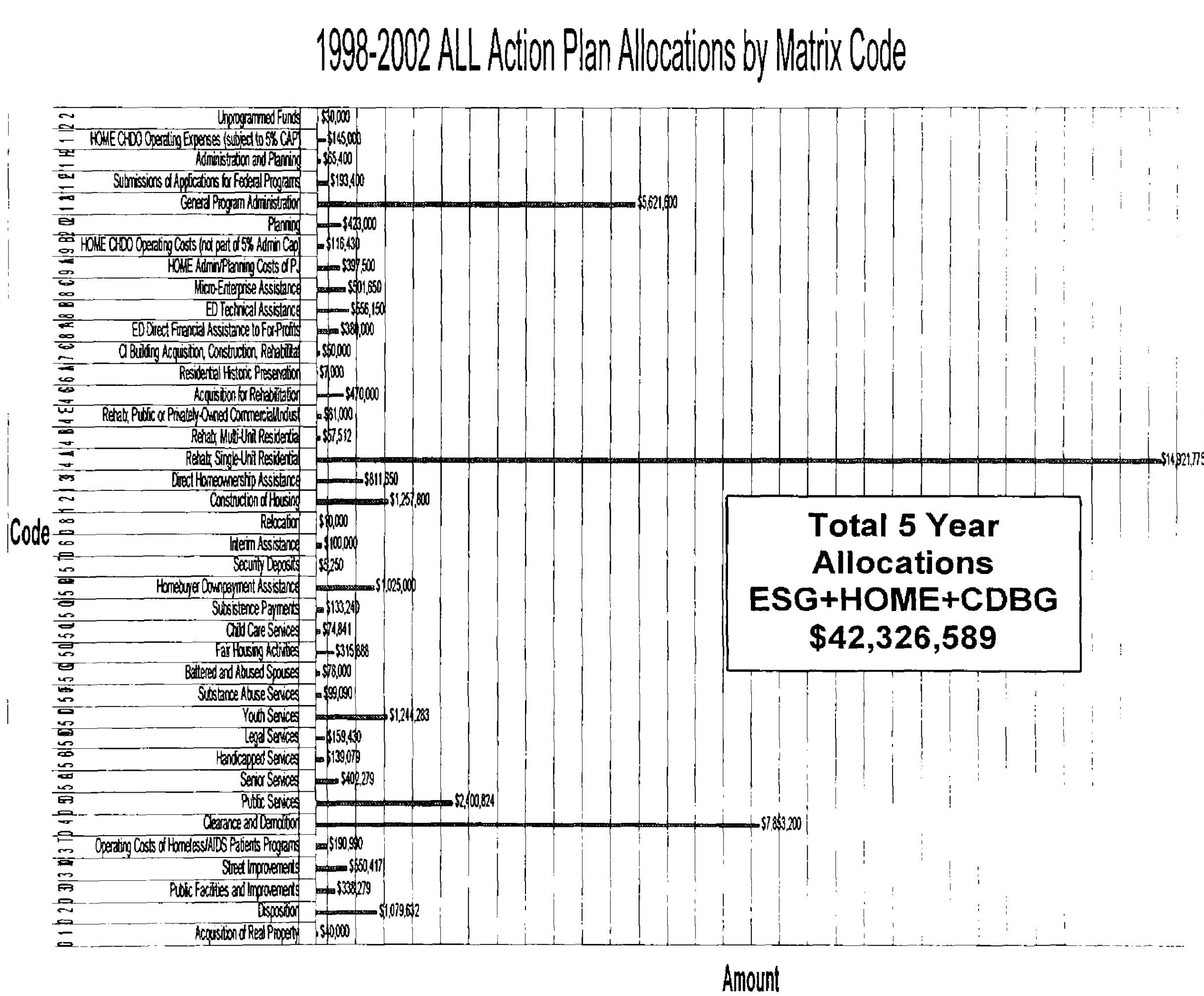
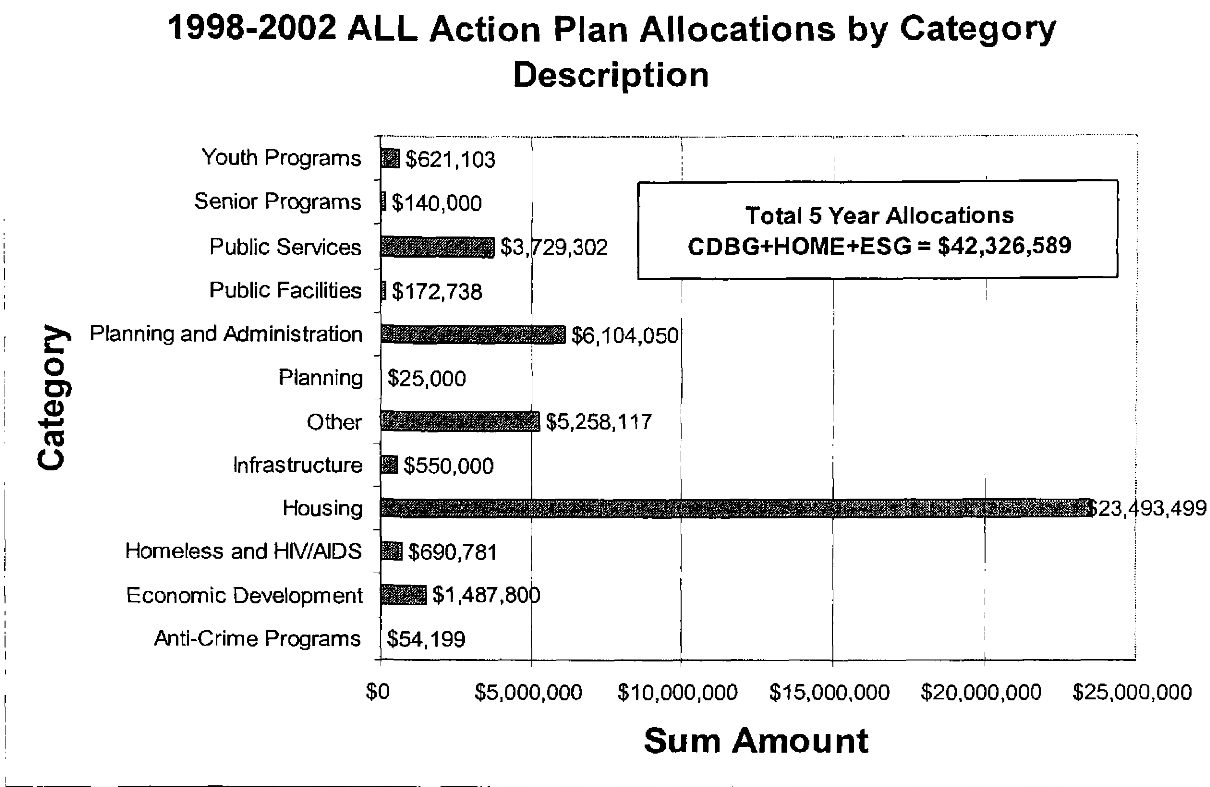


Chart 23.



STANDARDIZATION OF PROGRAM TYPE

The previous categorizations of Matrix Code and Category Description are HUD mandated (a record or grant entry must match the HUD categories). The following category of Program Type has been standardized by the researcher.

When grant applicants submit a proposal, they are allowed to call the program by any name they wish. On some occasions the program name that they chose is an accurate descriptive of the activity (i.e., Owner Occupied Rehab, New Construction, Fair Housing, Boarding). Other times a non-specific, non-descriptive program activity name is chosen (i.e., VISTA, Project Independence, Year Round Activities, Buying and Beyond, Staffing, Collaborative for Urban Youth, Infill Housing, Housing Development Projects, Eastside Housing

Activities) or no program name at all is provided. Some organizational entities submit proposals for the same activity/program in multiple years, but they change the program name from year-to-year.

Many given program names are descriptive, but different organizations use different names to describe the activity. One example is Food Programs, alternately called: Emergency Food Program, Food Pantry, Supply of Food to Homeless Agencies, Lunch Program, North End Soup Kitchen, etc. Another example is Youth Programs with given names such as: Flint Youth Service Corps., Project Independence, Summer Activities, Scholarships, etc.

This variety makes it impossible to summarize Programs in any coherent fashion. In order to provide some larger overview of the Types of Programs being funded, the researcher created a Standardized Program field in which programs are renamed and/or re-categorized. The original given name has been changed to a name which better describes the type of program. For example, all programs which supply food (in any manner) to residents—is now classified as a Food Program. All programs which conduct youth programs/activities are now classified as Youth Program. The narrative description on the 20/20 sheets is utilized to decide categorization.

In many instances on a 20/20 sheet either the narrative provided is so non-descriptive (i.e., Eastside Housing Activities, Housing Development Projects, Infill Housing) or the described program so multi-faceted and/or nebulous (i.e., Basic Living Skills, Community Development, Project Activities) that no comprehensive categorization was possible, so they remain in their original program category names. A new field was also created, Program Sub-Type, to help better describe the Program categories. Please reference the MS Access report in Appendice 8 for clarification.

Chart 24.

1998-2002 AP Allocations by Program Type

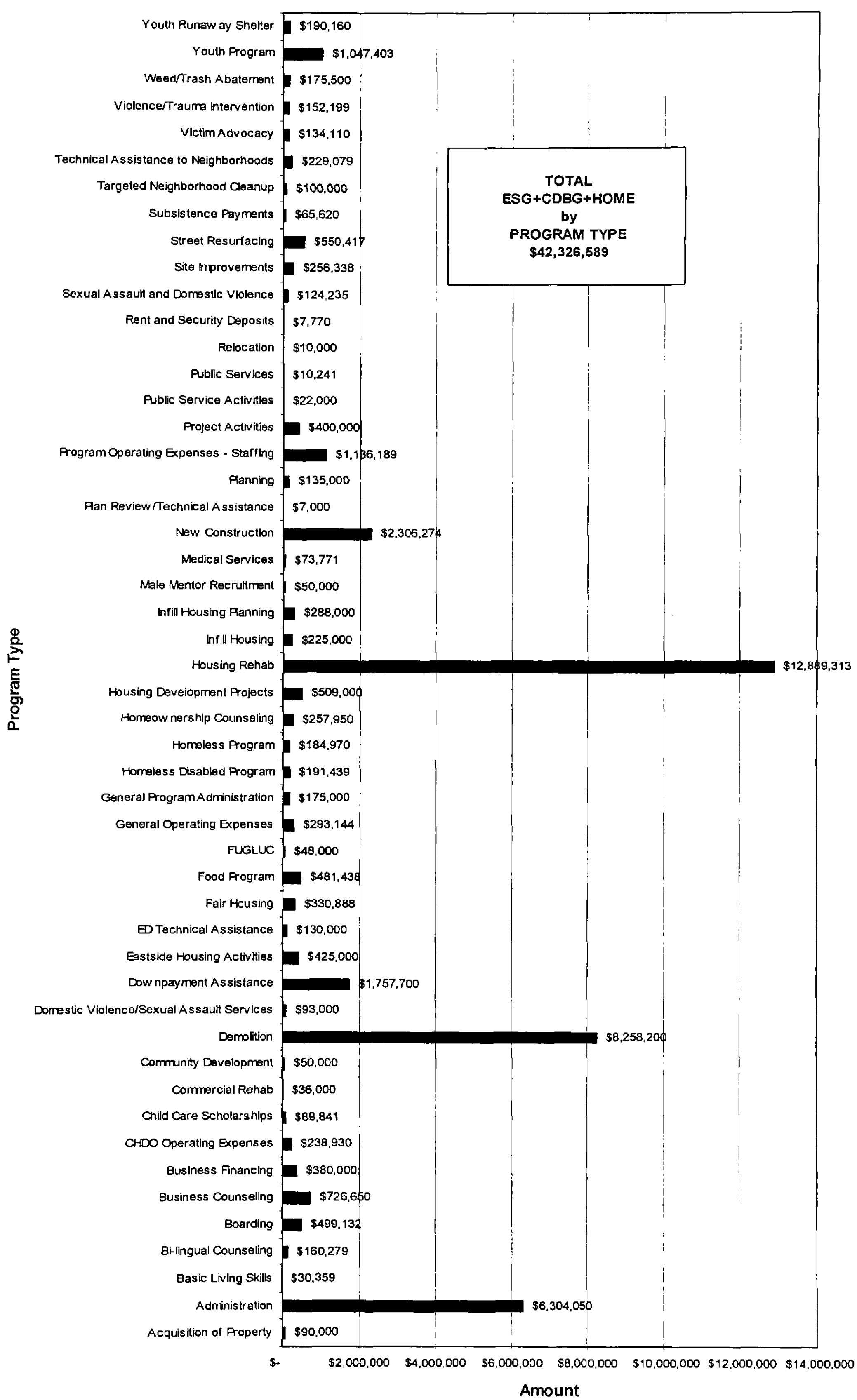


Chart 25.

1998-2002 AP Allocations by Recipient

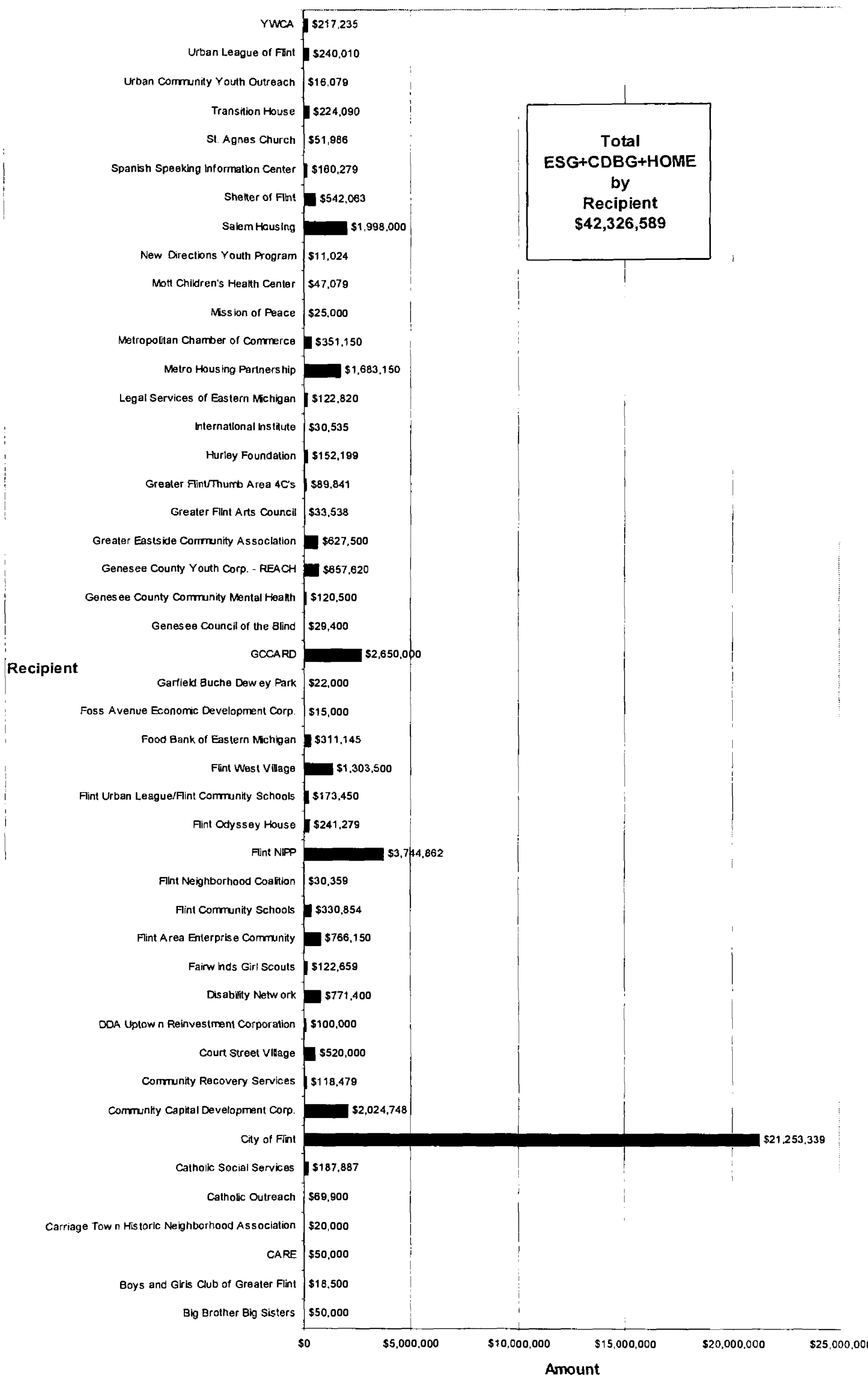
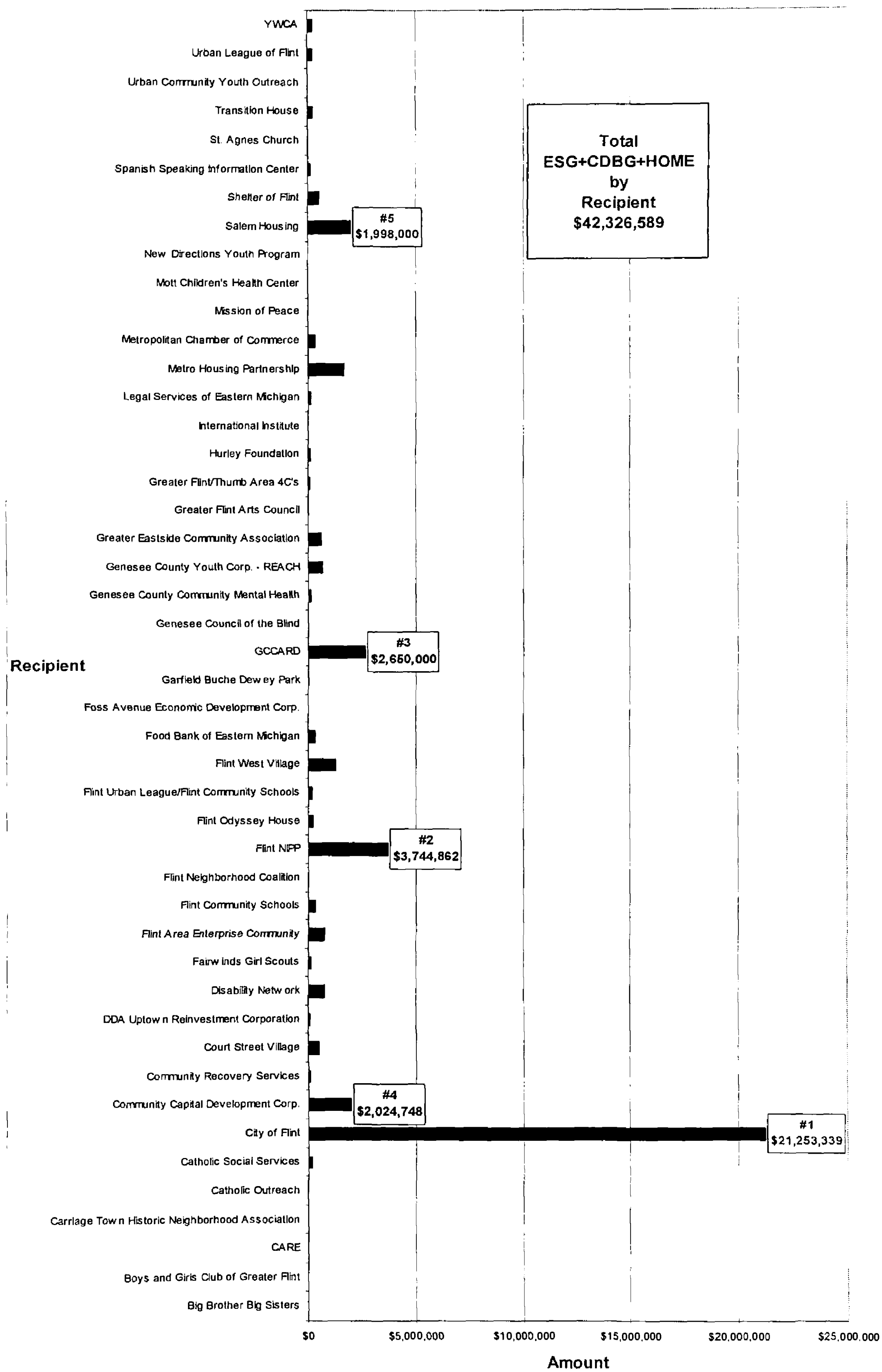


Chart 26.

1998-2002 AP Allocations by Top Five Recipients



1998-2002 ALL ALLOCATIONS FOR HOUSING ACTIVITIES AND MSHDA GRANTS

One of the objectives of this study is to determine: 1) which subrecipients are leveraging City of Flint Block Grants for housing activities with MSHDA funding, and; 2) what monetary amounts for Housing Activities are being maximized (increased) through leveraging, or what monetary potential is being lost through lack of MSHDA leveraging. In order to do this the term "Housing Activities" must be defined and the categories that meet this definition must be filtered (or chosen) from all other allocations. There are several difficulties involved in this process:

- The Matrix Code Categories combine activities that may, or may not, also be a Housing Activity.
- The Housing Category does not contain all Housing Activities allocated which may be matched as an eligible housing grant (or activity) by MSHDA. For example, MSHDA also funds programs considered Emergency Shelter Grants. The City of Flint may fund and categorize similar activities as ESG grants, or under CDBG in the categories of Homeless HIV/AIDS, Housing and/or Public Services. This distinction of categorization is not relevant when MSHDA determines if match is present.
- The same Types of Programs during the 1998-2002 period have alternately been categorized in any given year as Housing, Other, Homeless and HIV/AIDS, Infrastructure, Planning, Planning and Administration and Public Services. Some examples are: Demolition

has been categorized as Housing, Infrastructure and Other ; Boarding, CHDO Operating Expenses, and Downpayment Assistance have been categorized as both Housing, and Other. Additionally, other programs/activities can be found in the Category Descriptions of Housing and Public Services (i.e., Fair Housing, Homeownership Counseling, Homeless Programs). One funded program to provide housing Relocation, is not found in Housing at all, but in Other. Another funded program for Site Improvement (Youth Runaway Shelter) has been categorized as Youth Programs. Why these same types of activities/programs have been categorized differently, during the same year, and during different time periods, is not known.

- MSHDA funds an activity called Neighborhood Preservation Program [NPP] which requires proof of CDBG match, from the entity submitting the application. The entity must demonstrate that CDBG funds have been spent in the Target Area chosen for the program, but does not necessarily have to have been the recipient organization for these funds. For example, if the City of Flint used CDBG funds in this Target Area for Street Resurfacing or Demolition, this calculated amount can be utilized by the nonprofit applicant as match. If no CDBG funds have been used in a nonprofit's Target Area however, then the nonprofit cannot apply for the NPP program. Also, eligible match categories for CDBG are not necessarily in the Housing Category (i.e., Street Resurfacing and other Infrastructure grants/activities) but this would be a case of nonprofits leveraging Block Grants. Since NPP funds can be used for a wide variety of activities that could be considered Housing Activities it would be necessary to see the Line Item Budget for each NPP application made/received by a Flint nonprofit, in order to correctly categorize the use.

- While MSHDA requires a City Block Grant Award as match for application eligibility, different policies and guidelines between the City of Flint and MSHDA mean that some City of Flint funded Housing Activities, are not eligible for MSHDA funding. For example, the City of Flint is a PJ and they fund Owner Occupied Rehab; MSHDA will not fund Owner Occupied Rehab in a PJ. MSHDA may however, allow the amount of a City funded Owner Occupied Rehab program, to be used as match for a different MSHDA eligible program (i.e., housing rehab, new construction).

All of the above reasons led to the conclusion that the most accurate presentation of funding allocated to Housing Activities would involve multiple steps including:

1. Demonstrate funding allocated under the Housing Category.
2. Demonstrate funding allocated under the Housing Category and include other Categories where the Program is the same as a Housing Category Program. These categories to be included would be:
    a. Homeless and HIV/AIDS

b. Infrastructure

c. Other

d. Planning

e. Planning and Administration

f. Public Services

Not included in the Public Services match is Program Operating Expenses due to the inclusion of non-housing programs in this summed total.

3. Do not demonstrate funding allocated under a Category for a program which appears to be a Housing Activity, but for which there is no matching Program in the Housing Category.

The following charts were produced from summarization data obtained from the MS Access database. The Access reports can be found in Appendice 9.

The five year Sum Total for ESG, CDBG and HOME, taken from the 20/20 sheets under the Housing Category is $23,300,099. *[NOTE – Some programs, like Weed and Trash Abatement do not appear to be a Housing Activity, but all Programs which were coded by the City as a Housing Category, are included.]* The five year Sum Total for ESG, CDBG and HOME, taken from the 20/20 sheets under the Categories of Housing, Homeless and HIV/AIDS, Infrastructure, Other, Planning, Planning and Administration, and Public Services (where Program categorizations match) is $28,925,287. Please also reference the following Table 6:

Table 6: HOUSING CATEGORY Program Match from Additional Categories

City of Flint HOUSING CATEGORY Program	Housing	Homeless and HIV/AIDS Match Housing	Infrastructure Match Housing	Other Match Housing	Planning Match Housing	Planning and Administration Match Housing	Public Services Match Housing	Total of all where Programs Match Housing Programs
Acquisition of Property	$40,000							$40,000
Administration	$59,800							$59,800
Boarding	$449,132			$ 50,000				$499,132
CHDO Operating Expenses	$201,430			$ 37,500				$238,930
Community Building	$35,000							$35,000
Community Development	$50,000							$50,000
Demolition	$3,610,000		$ 200,000	$ 4,448,200				$8,258,200
Downpayment Assistance	$1,457,700			$ 300,000				$1,757,700
Eastside Housing Activities	$425,000							$425,000
Fair Housing	$108,000						$222,888	$330,888
Homeownership Counseling	$78,950						$179,000	$257,950
Housing Development Projects	$509,000							$509,000
Housing Rehab	$12,704,313							$12,704,313
Infill Housing	$225,000							$225,000
Infill Housing Planning	$288,000				$25,000.0	$ 110,000.0		$423,000
New Construction	$1,993,774							$1,993,774
New Construction with Demolition	$225,000							$225,000
New Construction/Barrier Free	$12,500							$12,500
Office Development	$45,000							$45,000
Plan Review/Technical Assistance	$7,000							$7,000
Project Activities	$400,000							$400,000
Site Improvements	$50,000	$ 52,600						$102,600
Transitional Housing Expansion	$150,000							$150,000
Weed/Trash Abatement	$175,500							$175,500
TOTALS	**$23,300,099**	**$ 52,600**	**$ 200,000**	**$ 4,835,700**	**$25,000.0**	**$ 110,000.0**	**$401,888**	**$28,925,287**

Chart 27.

1998-2002 AP Allocations Housing Category by Type of Program

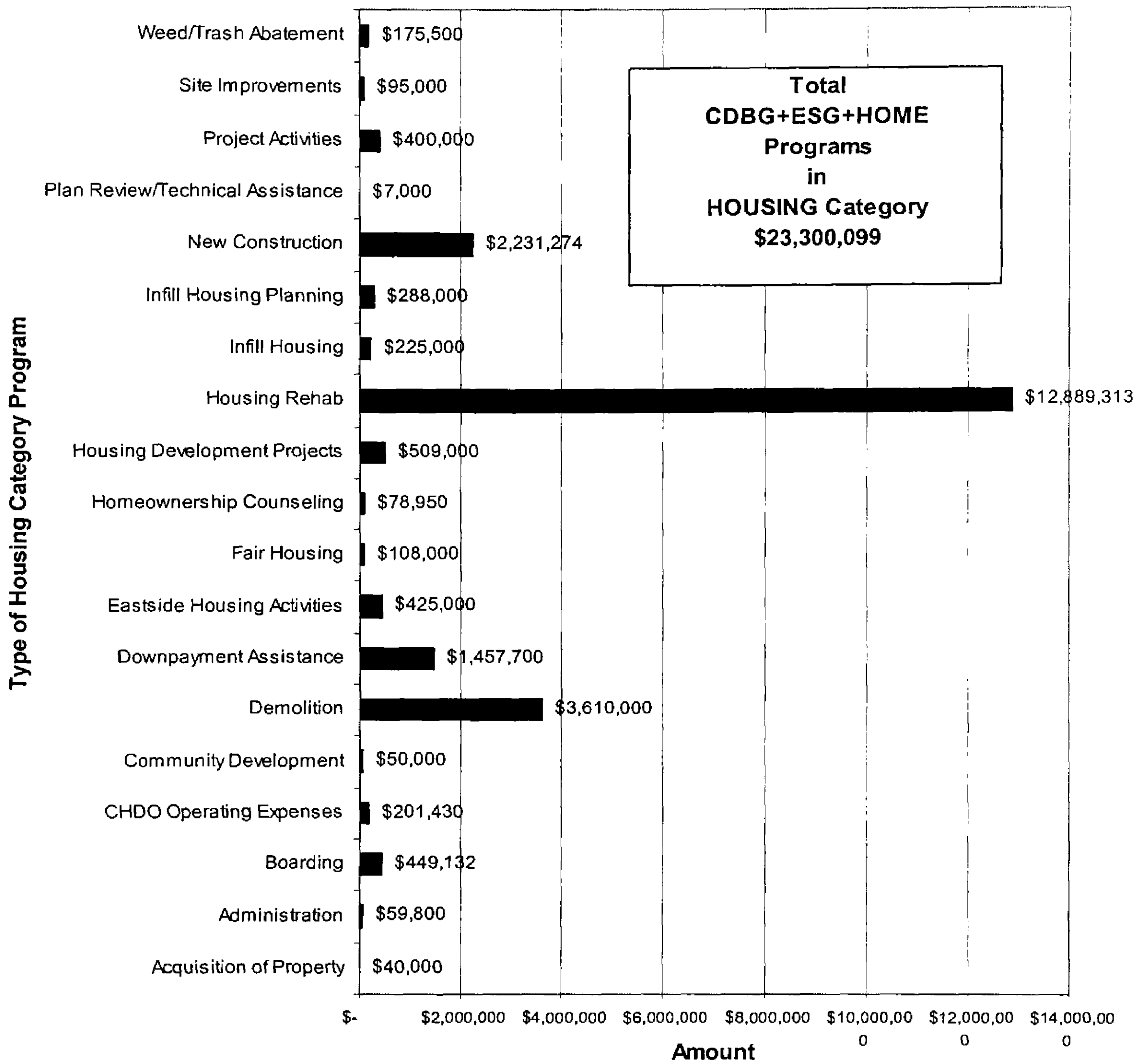


Chart 28.

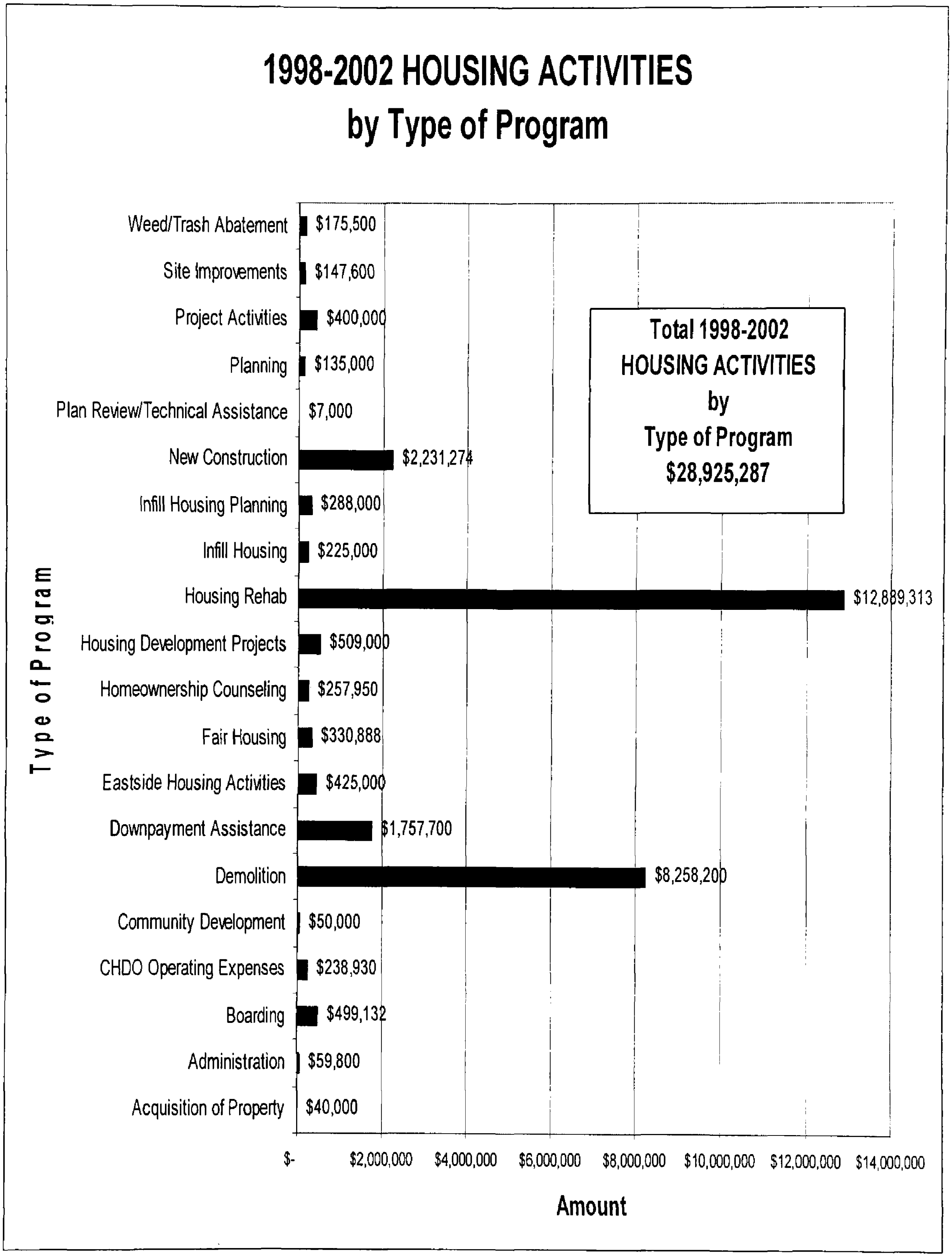

1998-2002 HOUSING ACTIVITIES
by Type of Program
Weed/Trash Abatement $175,500
Site Improvements $147,600
Project Activities $400,000
Planning $135,000
Plan Review/Technical Assistance $7,000
New Construction $2,231,274
Infill Housing Planning $288,000
Infill Housing $225,000
Housing Rehab $12,889,313
Housing Development Projects $509,000
Homeownership Counseling $257,950
Fair Housing $330,888
Eastside Housing Activities $425,000
Downpayment Assistance $1,757,700
Demolition $8,258,200
Community Development $50,000
CHDO Operating Expenses $238,930
Boarding $499,132
Administration $59,800
Acquisition of Property $40,000
Total 1998-2002
HOUSING ACTIVITIES
by
Type of Program
$28,925,287
Type of Program
$-
$2,000,000
$4,000,000
$6,000,000
$8,000,000
$10,000,000
$12,000,000
$14,000,000
Amount

Chart 29.

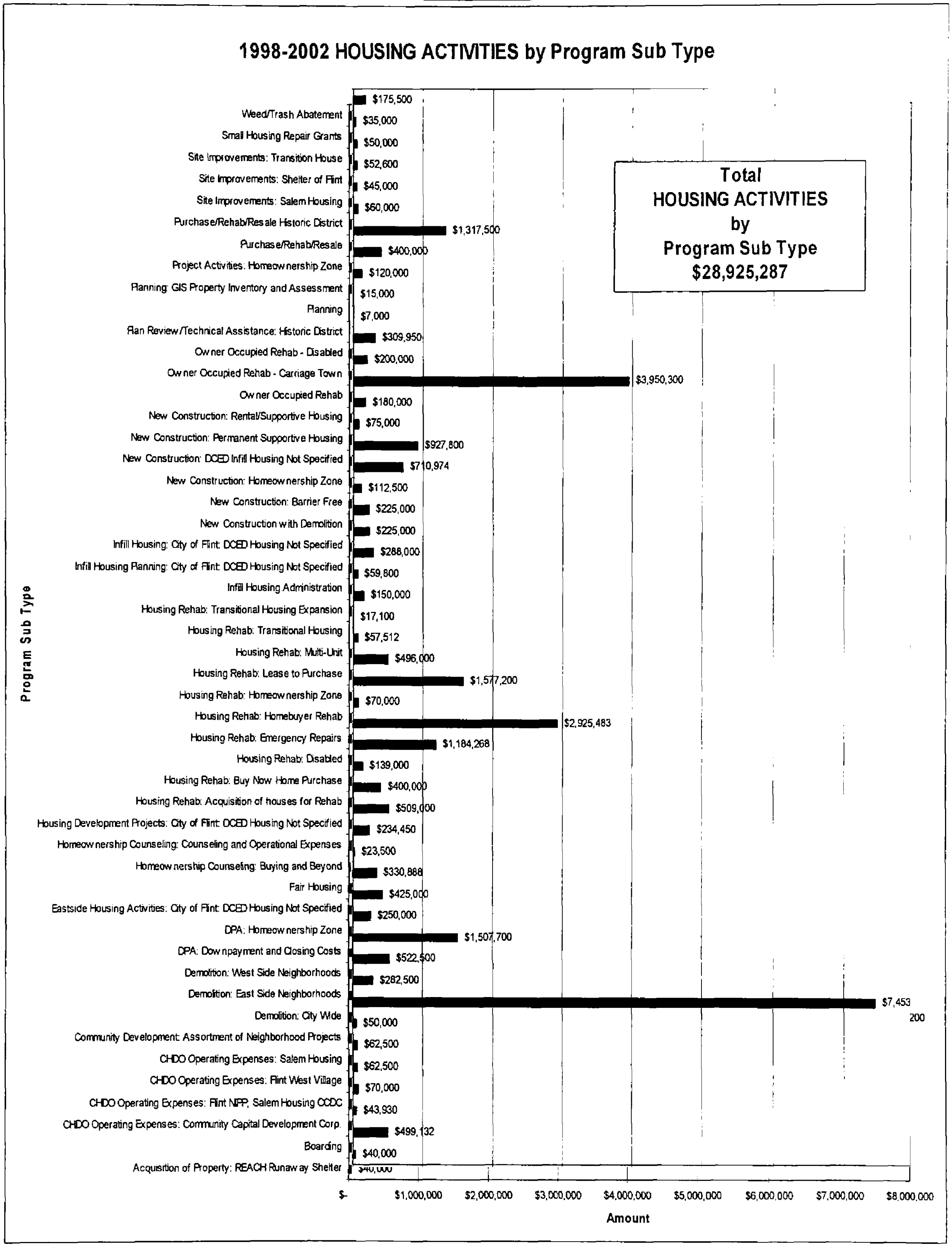

1998-2002 HOUSING ACTIVITIES by Program Sub Type
Total
HOUSING ACTIVITIES
by
Program Sub Type
$28,925,287
Program Sub Type
Weed/Trash Abatement
Small Housing Repair Grants
Site Improvements: Transition House
Site Improvements: Shelter of Flint
Site Improvements: Salem Housing
Purchase/Rehab/Resale Historic District
Purchase/Rehab/Resale
Project Activities: Homeownership Zone
Planning: GIS Property Inventory and Assessment
Planning
Plan Review/Technical Assistance: Historic District
Owner Occupied Rehab - Disabled
Owner Occupied Rehab - Carriage Town
Owner Occupied Rehab
New Construction: Rental/Supportive Housing
New Construction: Permanent Supportive Housing
New Construction: DCED Infill Housing Not Specified
New Construction: Homeownership Zone
New Construction: Barrier Free
New Construction with Demolition
Infill Housing: City of Flint DCED Housing Not Specified
Infill Housing Planning: City of Flint DCED Housing Not Specified
Infill Housing Administration
Housing Rehab: Transitional Housing Expansion
Housing Rehab: Transitional Housing
Housing Rehab: Multi-Unit
Housing Rehab: Lease to Purchase
Housing Rehab: Homeownership Zone
Housing Rehab: Homebuyer Rehab
Housing Rehab: Emergency Repairs
Housing Rehab: Disabled
Housing Rehab: Buy Now Home Purchase
Housing Rehab: Acquisition of houses for Rehab
Housing Development Projects: City of Flint DCED Housing Not Specified
Homeownership Counseling: Counseling and Operational Expenses
Homeownership Counseling: Buying and Beyond
Fair Housing
Eastside Housing Activities: City of Flint DCED Housing Not Specified
DPA: Homeownership Zone
DPA: Downpayment and Closing Costs
Demolition: West Side Neighborhoods
Demolition: East Side Neighborhoods
Demolition: City Wide
Community Development: Assortment of Neighborhood Projects
CHDO Operating Expenses: Salem Housing
CHDO Operating Expenses: Flint West Village
CHDO Operating Expenses: Flint NPP, Salem Housing CCDC
CHDO Operating Expenses: Community Capital Development Corp.
Boarding
Acquisition of Property: REACH Runaway Shelter
$175,500
$35,000
$50,000
$52,600
$45,000
$60,000
$1,317,500
$400,000
$120,000
$15,000
$7,000
$309,950
$200,000
$3,950,300
$180,000
$75,000
$927,800
$710,974
$112,500
$225,000
$225,000
$288,000
$59,800
$150,000
$17,100
$57,512
$496,000
$1,577,200
$70,000
$2,925,483
$1,184,268
$139,000
$400,000
$509,000
$234,450
$23,500
$330,888
$425,000
$250,000
$1,507,700
$522,500
$282,500
$7,453
200
$50,000
$62,500
$62,500
$70,000
$43,930
$499,132
$40,000
$40,000
$-
$1,000,000
$2,000,000
$3,000,000
$4,000,000
$5,000,000
$6,000,000
$7,000,000
$8,000,000
Amount

Chart30

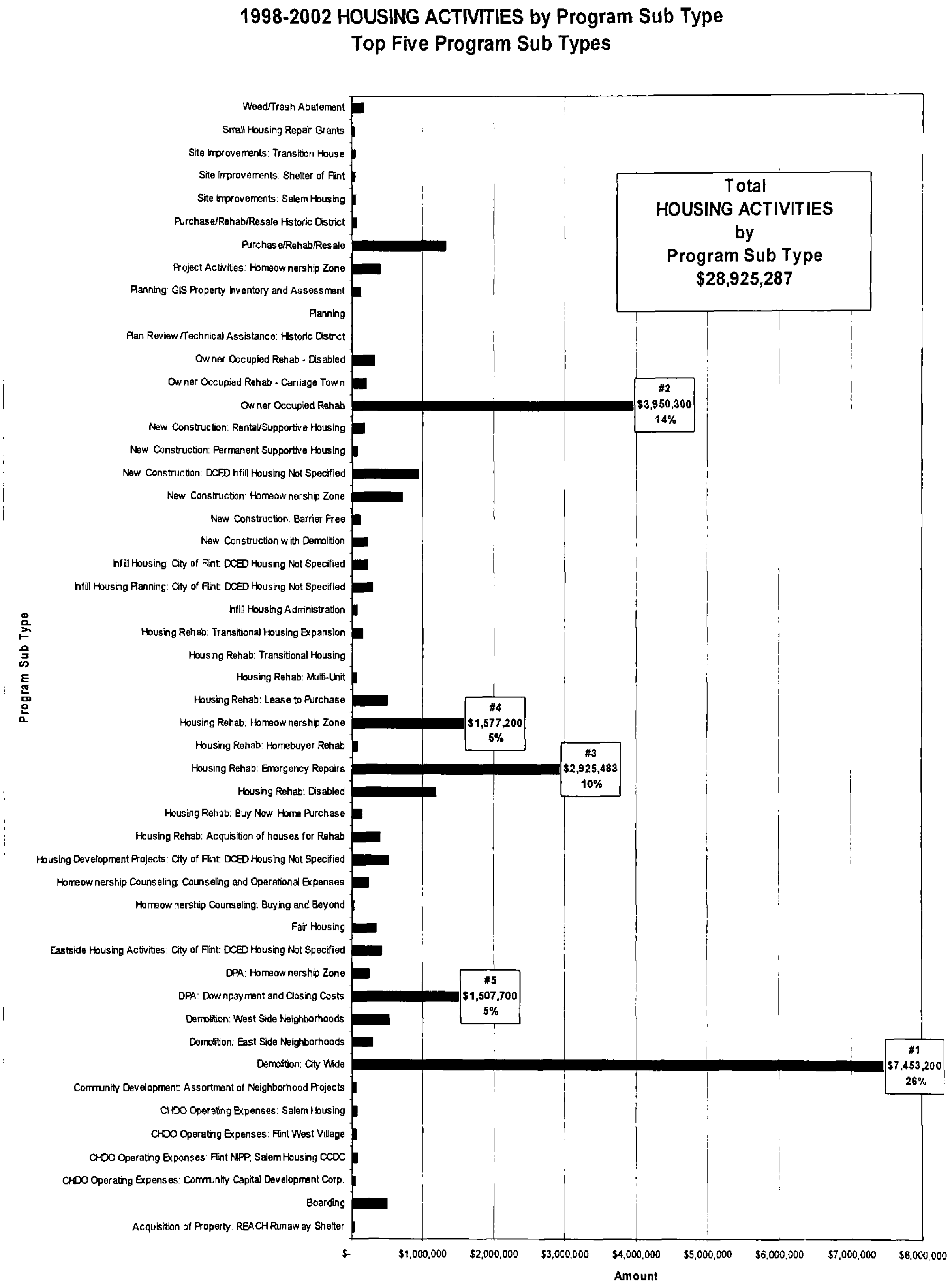

1998-2002 HOUSING ACTIVITIES by Program Sub Type
Top Five Program Sub Types
Weed/Trash Abatement
Small Housing Repair Grants
Site Improvements: Transition House
Site Improvements: Shelter of Flint
Site Improvements: Salem Housing
Purchase/Rehab/Resale Historic District
Purchase/Rehab/Resale
Project Activities: Homeownership Zone
Planning: GIS Property Inventory and Assessment
Planning
Plan Review/Technical Assistance: Historic District
Owner Occupied Rehab - Disabled
Owner Occupied Rehab - Carriage Town
Owner Occupied Rehab
New Construction: Rental/Supportive Housing
New Construction: Permanent Supportive Housing
New Construction: DCED Infill Housing Not Specified
New Construction: Homeownership Zone
New Construction: Barrier Free
New Construction with Demolition
Infill Housing: City of Flint DCED Housing Not Specified
Infill Housing Planning: City of Flint DCED Housing Not Specified
Infill Housing Administration
Housing Rehab: Transitional Housing Expansion
Housing Rehab: Transitional Housing
Housing Rehab: Multi-Unit
Housing Rehab: Lease to Purchase
Housing Rehab: Homeownership Zone
Housing Rehab: Homebuyer Rehab
Housing Rehab: Emergency Repairs
Housing Rehab: Disabled
Housing Rehab: Buy Now Home Purchase
Housing Rehab: Acquisition of houses for Rehab
Housing Development Projects: City of Flint DCED Housing Not Specified
Homeownership Counseling: Counseling and Operational Expenses
Homeownership Counseling: Buying and Beyond
Fair Housing
Eastside Housing Activities: City of Flint DCED Housing Not Specified
DPA: Homeownership Zone
DPA: Downpayment and Closing Costs
Demolition: West Side Neighborhoods
Demolition: East Side Neighborhoods
Demolition: City Wide
Community Development: Assortment of Neighborhood Projects
CHDO Operating Expenses: Salem Housing
CHDO Operating Expenses: Flint West Village
CHDO Operating Expenses: Flint NIPP; Salem Housing CCDC
CHDO Operating Expenses: Community Capital Development Corp.
Boarding
Acquisition of Property: REACH Runaway Shelter
Program Sub Type
Total
HOUSING ACTIVITIES
by
Program Sub Type
$28,925,287
#1
$7,453,200
26%
#2
$3,950,300
14%
#3
$2,925,483
10%
#4
$1,577,200
5%
#5
$1,507,700
5%
$-
$1,000,000
$2,000,000
$3,000,000
$4,000,000
$5,000,000
$6,000,000
$7,000,000
$8,000,000
Amount

Chart 31

1998-2002 AP Allocations by HOUSING ACTIVITY and Recipient

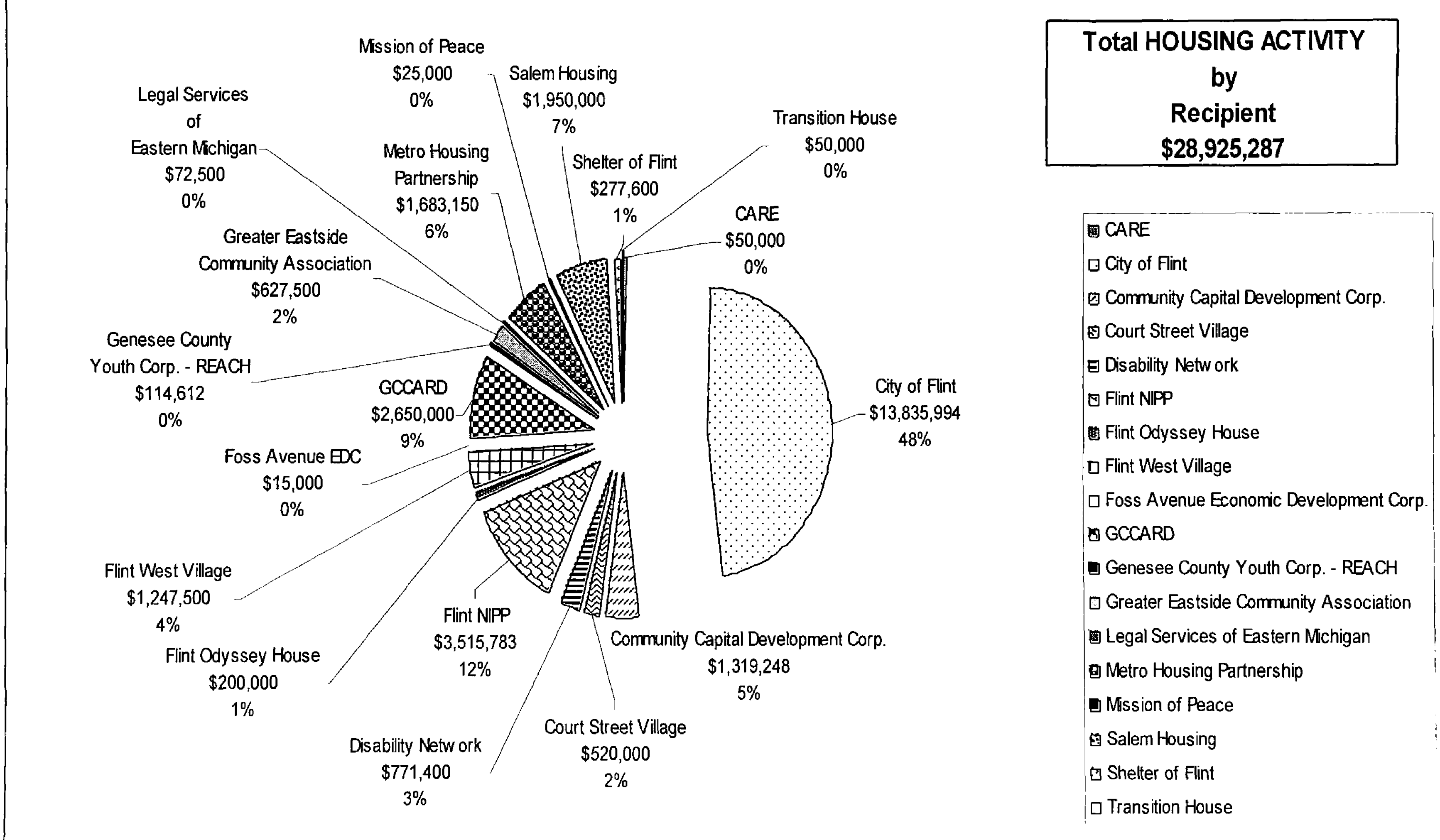
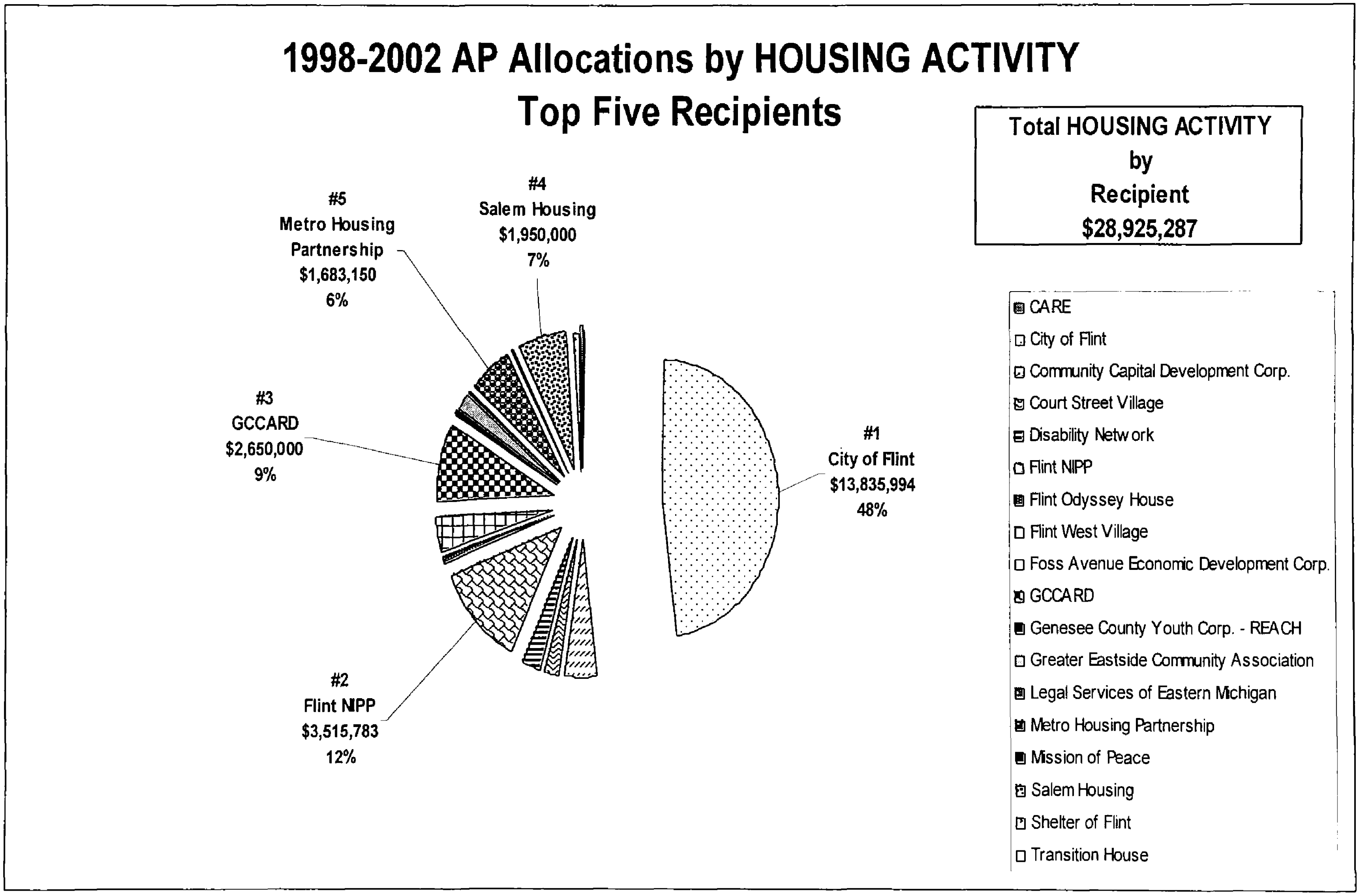


Chart 32.


1998-2002 AP Allocations by HOUSING ACTIVITY
Top Five Recipients
Total HOUSING ACTIVITY by Recipient $28,925,287
#1 City of Flint $13,835,994 48%
#2 Flint NIPP $3,515,783 12%
#3 GCCARD $2,650,000 9%
#4 Salem Housing $1,950,000 7%
#5 Metro Housing Partnership $1,683,150 6%
CARE
City of Flint
Community Capital Development Corp.
Court Street Village
Disability Network
Flint NIPP
Flint Odyssey House
Flint West Village
Foss Avenue Economic Development Corp.
GCCARD
Genesee County Youth Corp. - REACH
Greater Eastside Community Association
Legal Services of Eastern Michigan
Metro Housing Partnership
Mission of Peace
Salem Housing
Shelter of Flint
Transition House

LEVERAGING CITY OF FLINT BLOCK GRANT HOUSING DOLLARS WITH MSHDA DOLLARS

The following section will verify which recipients have leveraged MSHDA funds with City of Flint Block Grant funds. There are however, some relevant considerations to note:

- Application cannot be made to MSHDA, without the award of a matching City of Flint grant.
- Not all grants categorized as Housing Activities (or Programs) are eligible for use as match funds for MSHDA.
- Not all MSHDA applications are funded, even though match is present.
- A few types of MSHDA grants do not require City Block Grant match. For example, Habitat for Humanity (state-wide) has a special MSHDA funding stream that does not require Block Grant match.
- As a PJ the City of Flint is not an eligible applicant for MSHDA funds. If the city ultimately awards funding they have first awarded to themselves, to an eligible nonprofit and/or CHDO, then that money can be used as match for MSHDA applications. During the 1998-2002 period of this study the total funds allocated for Housing Activities is $28,925,287. This total sum can be broken down into two categories: 1) eligible for match nonprofit and/or CHDO entities $$15,089,293 and; 2) non-eligible for match City of Flint $13,835,994. Forty-eight percent of the allocated funds have been made non-eligible for MSHDA match simply through the virtue of being a non-eligible entity.

- Other leveraging may have occurred in addition to, or in place of, MSHDA leveraging. Sources of leveraging may include Bank Loans, Private Foundations and other grant award sources such as Federal Home Loan Bank grants.

1998-2002 All MSHDA Grants Awarded to Flint Organizations

In the following Table 7 is a listing of all MSHDA grants awarded to organizations located in the City of Flint during the time period of 1998-2002. This list includes activities that:

- Do have a Housing Activities Program match
- Do not have a Housing Activities Program match but may have a match under another Category such as Homeless HIV/AIDS and/or Public Services and/or some form of Emergency Services Grant.

Please reference Appendice 10 to see the MS Access Report for all detail on MSHDA Grant Awards during 1998-2002. Table 8 lists MSHDA Totals by Recipients for Housing Activities. Table 9 illustrates the Totals of Housing Activity grant match and demonstrates Totals by Recipients comparing City of Flint and MSHDA. Also please note in Table 9 that although Flint Odyssey House received three MSHDA grants for the sum of $550,500 two of the grants totaling $445,000 were recaptured. Chart 33 provides a visual for comparing Housing Activity City of Flint Block Grant Awards with MSHDA Housing Activity Awards. Table 10 lists MSHDA grants applied for, but denied. The amount for each application was not provided.

Table 7: MSHDA Grants Awarded to Flint Area Recipients			
MSHDA Organization	**Sum of Awarded**	**All Program Awarded**	**All Admin Awarded**
Community Capital Development Corp.	$ 15,000		$ 15,000
Flint Odyssey House	$ 550,500	$ 495,520	$ 54,980
Flint West Village	$ 30,000		$ 30,000
Genesee County Community Mental Health	$ 75,000	$ 75,000	
Genesee County Habitat	$ 77,700	$ 77,700	
Genesee County Youth Corp. - REACH	$ 333,204	$ 333,204	
Greater Eastside Community Association	$ 281,600	$ 240,000	$ 41,600
Legal Services of Eastern Michigan	$ 134,838	$ 134,838	
Metro Housing Partnership	$ 198,300	$ 180,000	$ 18,300
Salem Housing	$ 1,334,095	$ 1,222,872	$ 111,223
Shelter of Flint	$ 395,725	$ 395,725	
Transition House	$ 40,985	$ 40,985	
YMCA	$ 20,045	$ 20,045	
YWCA	$ 238,483	$ 238,483	
	$ 3,725,475	**$ 3,454,372**	**$ 271,103**

Table 8: MSHDA Grants Awarded for HOUSING ACTIVITIES			
MSHDA Organization	**Sum of Awarded**	**HSG Program Awarded**	**HSG Admin Awarded**
Community Capital Development Corp.	$ 15,000		$ 15,000
Flint Odyssey House	$ 550,500	$ 50,500	
Flint West Village	$ 30,000		$ 30,000
Genesee County Community Mental Health	$ 75,000	$ 75,000	
Greater Eastside Community Association	$ 281,600	$ 240,000	$ 41,600
Metro Housing Partnership	$ 183,300	$ 165,000	$ 18,300
Salem Housing	$ 1,334,095	$ 1,222,872	$ 111,223
Shelter of Flint	$ 16,708	$ 16,708	
	$ 2,486,203	**$ 2,270,080**	**$ 216,123**

Table 9: Flint and MSHDA Grants Awarded for HOUSING ACTIVITIES and Leveraged %

Organizations	Flint Housing	MSHDA Housing	SUM Housing	% Leveraged
CARE	$ 50,000		$ 50,000	0%
City of Flint	$ 13,835,994		$ 13,835,994	0%
Community Capital Development Corp.	$ 1,319,248	$ 15,000	$ 1,334,248	1%
Court Street Village	$ 520,000		$ 520,000	0%
Disability Network	$ 771,400		$ 771,400	0%
Flint NIPP	$ 3,515,783		$ 3,515,783	0%
Flint Odyssey House	$ 200,000	$ 550,500	$ 750,500	275%
Flint West Village	$ 1,247,500	$ 30,000	$ 1,277,500	2%
Foss Avenue Economic Development Corp.	$ 15,000		$ 15,000	0%
GCCARD	$ 2,650,000		$ 2,650,000	0%
Genesee County Community Mental Health	$ -	$ 75,000	$ 75,000	Special Funds
Genesee County Youth Corp. - REACH	$ 114,612		$ 114,612	0%
Greater Eastside Community Association	$ 627,500	$ 281,600	$ 909,100	45%
Legal Services of Eastern Michigan	$ 72,500		$ 72,500	0%
Metro Housing Partnership	$ 1,683,150	$ 183,300	$ 1,866,450	11%
Mission of Peace	$ 25,000		$ 25,000	0%
Salem Housing	$ 1,950,000	$ 1,334,095	$ 3,284,095	68%
Shelter of Flint	$ 277,600	$ 16,708	$ 294,308	6%
Transition House	$ 50,000		$ 50,000	0%
	$ 28,925,287	**$ 2,486,203**	**$ 31,411,490**	9%

Chart 33.

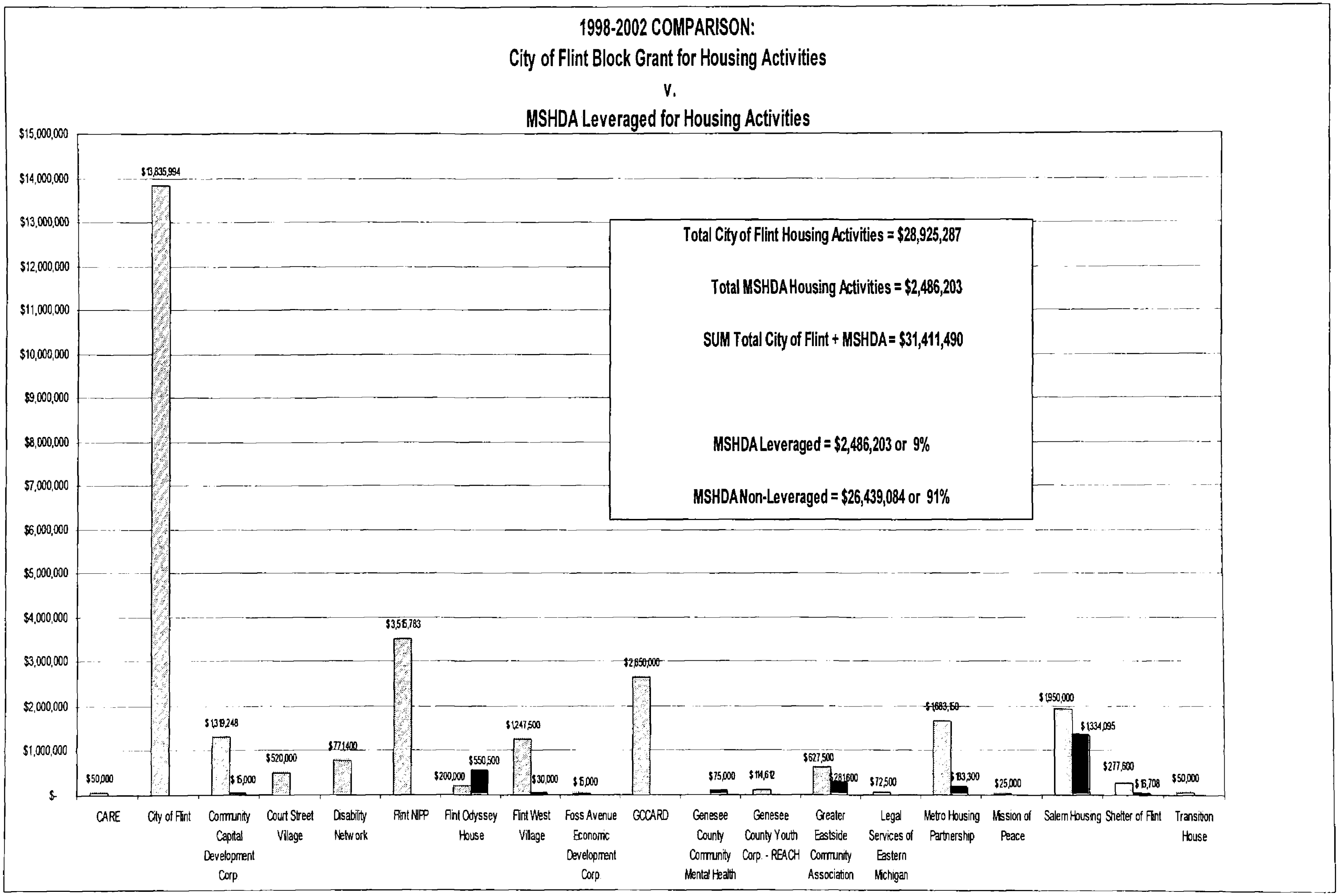

1998-2002 COMPARISON:
City of Flint Block Grant for Housing Activities
v.
MSHDA Leveraged for Housing Activities
Total City of Flint Housing Activities = $28,925,287
Total MSHDA Housing Activities = $2,486,203
SUM Total City of Flint + MSHDA = $31,411,490
MSHDA Leveraged = $2,486,203 or 9%
MSHDA Non-Leveraged = $26,439,084 or 91%
$15,000,000
$14,000,000
$13,000,000
$12,000,000
$11,000,000
$10,000,000
$9,000,000
$8,000,000
$7,000,000
$6,000,000
$5,000,000
$4,000,000
$3,000,000
$2,000,000
$1,000,000
$-
CARE
City of Flint
Community Capital Development Corp
Court Street Village
Disability Network
Flint NIPP
Flint Odyssey House
Flint West Village
Foss Avenue Economic Development Corp
GCCARD
Genesee County Community Mental Health
Genesee County Youth Corp. - REACH
Greater Eastside Community Association
Legal Services of Eastern Michigan
Metro Housing Partnership
Mission of Peace
Salem Housing
Shelter of Flint
Transition House
$50,000
$13,835,994
$520,000
$200,000
$550,500
$1,247,500
$30,000
$2,650,000
$75,000
$627,500
$72,500
$1,950,000
$1,334,095
$277,600
$25,000
$50,000

Table 10: MSHDA Grants Applied for but Denied				
Carriage Town Neighborhood Association	1998	Emergency Shelter	No	$0.00
Court Street Village	2000	Neighborhood Preservation Program	No	$0.00
Flint Odyssey House	2001	Emergency Shelter Services	No	$0.00
GCCAA	1998	Emergency Shelter	No	$0.00
Legal Services of Eastern Michigan	1998	Emergency Shelter	No	$0.00
Legal Services of Eastern Michigan	1999	Emergency Shelter	No	$0.00
Metro Housing Partnership	2000	Downpayment Assistance	No	$0.00
Metro Housing Partnership	2001	Downpayment Assistance	No	$0.00
New Flint Neighborhood Programs	1999	Unknown	No	$0.00

Comprehensive Annual Performance and Evaluation Report [CAPER]

METHODOLOGY OF CAPER SUMMARIES

Data Sources

This annual report is comprised of several sections including sub-reports based on data entered in the HUD software Integrated Disbursement and Information System [IDIS]. Two of these sub-reports have been utilized to create a CAPER table for Use of Block Grants. Both reports have information categorized by Program Year (of grant or allocation) starting with 1994. Only the years of this study (1998-2002) were used in the database. Please reference Appendice 11 for sample pages from both the IDIS - CO4PRO3: CDBG Activity Summary Report GPR for Program Year __ and IDIS – CO4PRO6: Summary of Consolidated Plan Projects for Report Year__. These two reports have both similar and dissimilar information.

The most comprehensive of the two, per a specific grant, is the COPRO3. This report has fields for information included in the tables:

- Program Year
- Project: includes Recipient name, Activity Description, Year of Grant
- Activity: is the local ID number *[NOTE – The results of combining the Program Year with the Activity Number is a unique number for each record. This unique number has been used as the Primary Key in database records.]*
- Matrix Code
- Matrix Code Title
- National Objective
- Description (of Activity, or Program)
- Status of Project (a category description plus date)
- Location (of Recipient)
- Initial Funding Date
- Activity Estimate (amount)
- Funded Amount
- Drawn In Program Year (amount)
- Drawn Thru Program Year (amount)
- Number Assisted (by Income Levels and Female Headed Households)
- Assisted (by Race and Ethnicity)
- Accomplishments (Proposed Type, Proposed Units, Actual Type, Actual Units)

The disadvantage of the COPRO3 is that it only references CDBG grants, not ESG or HOME.

The IDIS – CO4PRO6: Summary of Consolidated Plan Projects for Report Year does have the advantage of referencing all three types of Block Grants (ESG, HOME, CDBG) but it provides limited information:

- Plan Year – Project: (the Program Year or allocation year plus the Activity Number, which is the Unique Record number).
- Program (Type of Block Grant, Recipient and Activity Description)
- Project Estimate
- Committed Amount
- Amount Drawn In Report Year
- Amount Drawn Thru Report Year
- Amount Available to Draw (Unexpended Balance)

Although in some cases the field names are different in these two reports, the information provided, is the same information. Those fields that match in substance (if not in Name) are:

- Activity Estimate = Project Estimate
- Funded Amount = Committed Amount

An analysis of some fields was not possible, because the categories are not provided for ESG and HOME in the COPRO3. Some additional identified problems were found:

- Status of Project – the four categories are Funds Budgeted, Underway, Completed and Not Referenced. Sequentially the logical sequence is as presented. The reality is that numerous grants in successive years flip back and forth by category description in no logical fashion. If a project is completed you would expect the Unexpended Balance to be zero and/or if the Unexpended Balance is zero, you would expect the Status of Project description to be Completed. If there is no CDBG Activity Sheet there is no way to know the Status and therefore it was categorized as Not Referenced. Contradictory data was consistently present (or no data was present) and the data could not be analyzed in any meaningful manner.
- Location (of Recipient) – the address of a Recipient would be present but the Recipients provide services in multiple locations. There were no data fields present to identify the location of services, or units.
- Number Assisted (by Income Levels and Female Headed Households)
- Assisted (by Race and Ethnicity) and Number Assisted– these fields were either vacant in many cases, or the numbers bore no relationship to the Proposed Accomplishments. It appears that sometimes the number assisted is meant to be related to the actual grant and Proposed Accomplishments, and sometimes the numbers are entered as the total number served at an agency. For example, if an agency proposed to rehab 10 units, but the agency as a whole served 3,700 persons—the Assisted numbers could be listed as the 3,700.

Additionally, if a grant was listed in a particular years' CAPER as having Numbers Assisted, those exact figures could also be repeated in the successive years' CAPERs. A database query would result in the figures being (erroneously) multiplied. There was no consistency in the data entry.

- Accomplishments (Proposed Type, Proposed Units, Actual Type, Actual Units) – this field was usually vacant or like the Assisted, the numbers bore no relationship to the actual units (people, households, structures, etc.) proposed under the grant Activity.

Analysis of Discrepancies

The Action Plan data and tables were derived from the 20/20 sheets in the Action Plan and the Housing Category field was filtered and totals summed. The CAPER data and tables were derived from the annual CAPERs and the Housing Category field was filtered and totals summed. There is a discrepancy in the Total Amount(s) Authorized. Under Housing Category in the Action Plan the sum total of Housing Category is $23,300,099. Under Housing Category in the CAPER the sum total of Housing Category is $23,443,499. This is a difference of $143,400.

The following is an illustration which accounts for the difference:

Grant Recipient	Amount in AP	Amount in CAPER	Difference in CAPER
98-101HO Salem Housing	$50,000	$0	-$50,000
00-93HO City of Flint: DCED	$0	$193,400	+$193,400
Totals	$50,000	$193,400	+$143,400

TRACKING CAPER FUNDS BY HOUSING CATEGORY

Action Plan Authorized

This amount should be equal to actual use of Block Grants in this category. The following sections however, demonstrate that there is often a difference between the amounts authorized, and the ultimate authorized via a Committed Amount.

CAPER Project Estimate

Logically, this amount should be equal to, or the same as, the Amount Authorized. For reasons that can't be divined through the reports analyzed, this amount is sometimes the same, sometimes less, and sometimes more than the Amount Authorized.

CAPER Project Committed

Logically, this amount should be equal to, or the same as, the Amount Authorized, and the CAPER Project Estimate. For reasons that can't be divined through the reports analyzed, this amount is sometimes the same, sometimes less, and sometimes more than the Amount Authorized and/or the CAPER Project Estimate.

Drawn Down In Report Year

This is the amount that would be Drawn Down (or expended) during the year of the CAPER report. Some relevant considerations to note with use in the Housing Category:

- Housing Category includes the use of CDBG and HOME. CDBG contracts are for a one year period. HOME contracts are for a two-year period. Housing projects/activities are complex and it often takes a lengthy time period to organize a project sufficiently (i.e., obtain environmental clearances, negotiate for properties, etc.) to Drawn Down funds.

Drawn Down Thru Report Year

This is the amount that would be Drawn Down (or expended) during the entire time span of the allocated grant.

Unexpended Balance

This is the amount that is Available to Draw, or is still Unexpended in this grant. A relevant consideration to note:

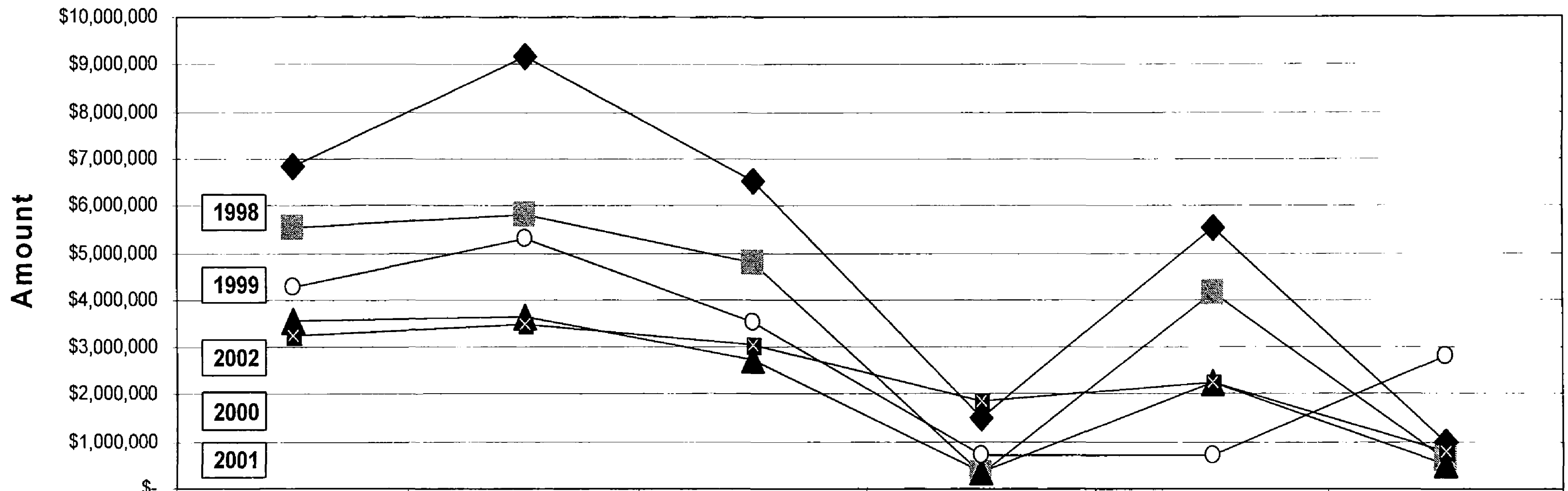
- This does not necessarily reflect a difference between the Amount Authorized and the Drawn Down Thru Report Year. If the Funded/Committed Amount has been reduced, the Unexpended Balance amount is reflecting the difference between Funded/Committed and Drawn Down Thru Report Year.

1998-2002 CAPER TOTALS BY FUNDS AND HOUSING CATEGORY

The following Charts 34 and 35 illustrate CAPER Funds by each year, and by a total of five years.

Chart 34.

1998-2002 CAPER Totals By Year: Housing Category

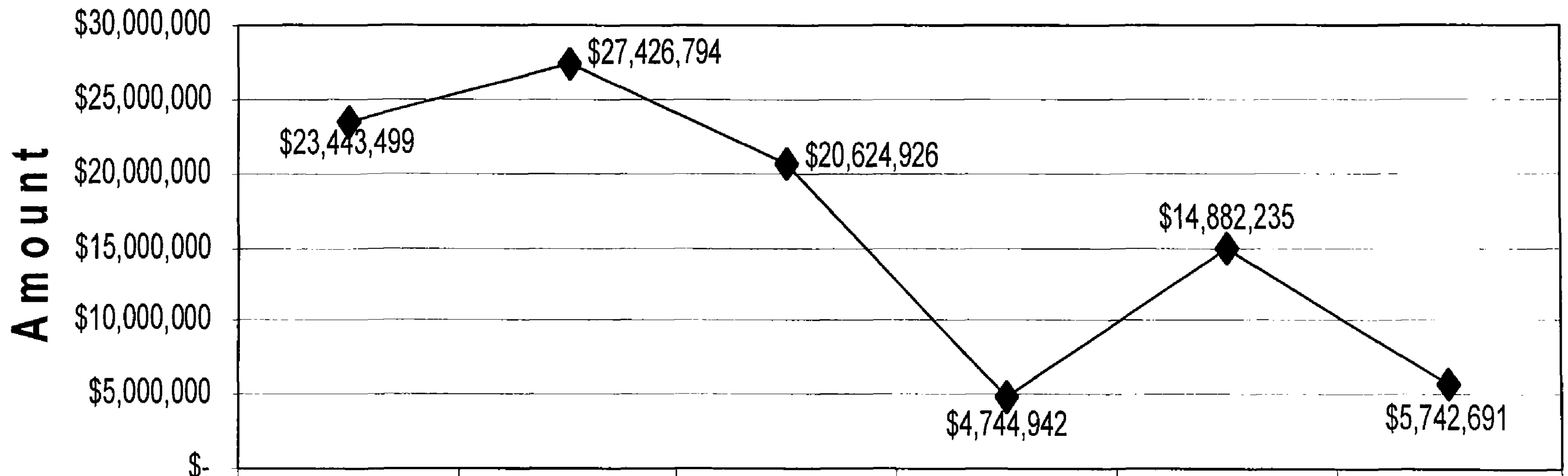


	Action Plan Authorized	CAPER Project Estimate	CAPER Project Committed	Drawn Down In Report Year	Drawn Down Thru Report Year	Unexpended Balance
1998	$6,819,616.00	$9,188,672.00	$6,525,572.48	$1,501,137.56	$5,526,452.68	$999,119.80
1999	$5,539,450.00	$5,814,450.00	$4,768,220.54	$326,562.33	$4,144,069.77	$624,150.77
2000	$3,564,700.00	$3,639,700.00	$2,746,013.14	$342,171.82	$2,249,514.76	$496,498.38
2001	$3,246,083.00	$3,471,083.00	$3,048,499.38	$1,864,285.44	$2,251,412.87	$797,086.51
2002	$4,273,650.00	$5,312,889.00	$3,536,620.93	$710,785.30	$710,785.30	$2,825,835.63

Funds

Chart 35.

1998-2002 CAPER SumTotals by FUNDS
Housing Category



	Action Plan Authorized	CAPER Project Estimate	CAPER Project Committed	Drawn Down In Report Year	Drawn Down Thru Report Year	Unexpended Balance
Series1	$23,443,499.00	$27,426,794.00	$20,624,926.47	$4,744,942.45	$14,882,235.38	$5,742,691.09

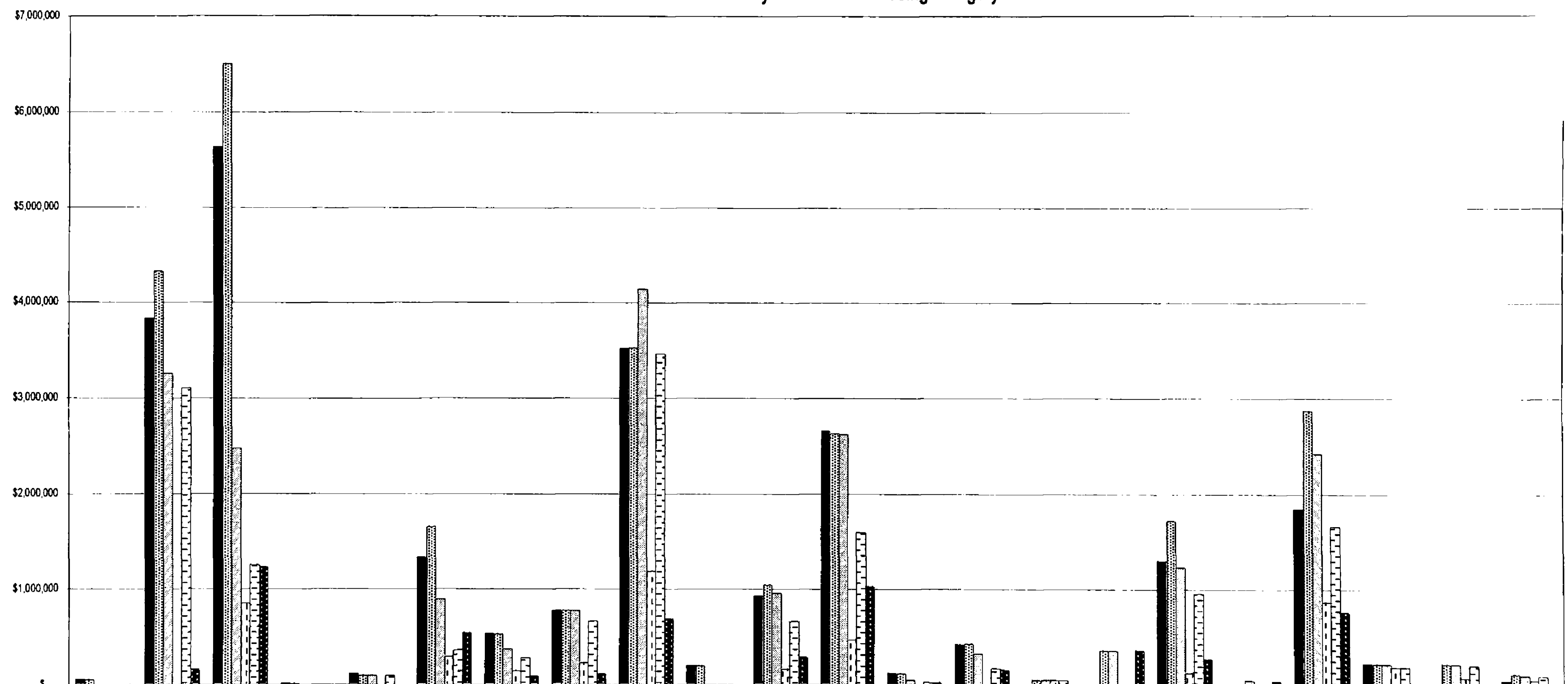
FUNDS

1998-2002 CAPER TOTALS BY RECIPIENT AND HOUSING CATEGORY

The following Chart 36 illustrates Summed Total CAPER Funds by Recipient .

Chart 36.

1998-2002 CAPER SUM Totals by RECIPIENT: Housing Category



	CARE	City of Flint: BSI	City of Flint: DCED	City of Flint: Historic District Council	City of Flint: Human Relations	Community Capital Development	Court Street Village	Disability Network	Flint NIPP	Flint Odyssey House	Flint West Village
Action Plan Authorized	$50,000	$3,829,632	$5,636,174	$7,000	$108,000	$1,319,248	$520,000	$771,400	$3,515,783	$200,000	$922,500
CAPER Project Estimate	$50,000	$4,328,764	$6,501,174	$7,000	$98,733	$1,644,248	$520,000	$771,400	$3,530,783	$200,000	$1,037,500
CAPER Project Committed	$-	$3,254,651	$2,471,254	$1,000	$98,733	$888,873	$367,902	$772,120	$4,147,883	$-	$950,971
Drawn Down In Report Year	$-	$-	$844,307	$-	$-	$295,220	$136,073	$231,276	$1,186,465	$-	$164,589
Drawn Down Thru Report Year	$-	$3,104,651	$1,248,201	$1,000	$98,733	$358,631	$281,235	$665,642	$3,459,061	$-	$664,614
Balance Unexpended	$-	$150,000	$1,223,053	$-	$-	$530,241	$86,667	$106,478	$688,822	$-	$286,357

	GCCAA	Genesee County Youth Corp - REACH	Greater Eastside Community	Juliat Toto McCormick and Bade	Manhattan Place	Metro Housing Partnership	Metropolitan Housing Development	Salem Housing	Shelter of Flint	Standard Federal	Transition House
Action Plan Authorized	$2,650,000	$114,612	$407,500	$-	$-	$1,286,650	$-	$1,830,000	$225,000	$-	$50,000
CAPER Project Estimate	$2,625,000	$114,612	$422,500	$50,000	$359,465	$1,717,859	$-	$2,867,171	$225,000	$230,585	$125,000
CAPER Project Committed	$2,611,414	$57,512	$322,500	$50,000	$359,465	$1,224,965	$50,000	$2,419,900	$225,000	$230,585	$120,200
Drawn Down In Report Year	$467,941	$-	$15,000	$50,000	$-	$130,843	$-	$872,760	$197,970	$84,484	$68,013
Drawn Down Thru Report Year	$1,596,312	$31,926	$172,500	$50,000	$-	$958,466	$7,196	$1,655,559	$197,970	$217,327	$113,213
Balance Unexpended	$1,015,102	$25,586	$150,000	$-	$359,465	$266,499	$42,805	$764,341	$27,030	$13,258	$6,987

Recipient

III. Discussion

REPORTS AND DATA:

The public reports mandated by HUD (Action Plan and CAPER) are sufficient to obtain certain kinds of information regarding use of Block Grants but the inconsistency of data entry and choice of categorization makes it difficult to summarize data in a specific program category. It's not clear why the same type of activity and program is categorized differently, in the same program year and in successive years. It's also not clear why many fields are not populated, or are not populated in a meaningful and accurate manner.

The numerous discrepancies in summed totals, in the same report and in different reports summarizing the same data, makes it extremely difficult to track actual allocations and ultimate use.

On numerous occasions a Project ID number, which is supposed to be a Unique Record Number, is one number in the Action Plan, and changed (apparently arbitrarily) to another number in the CAPER. This practice was more frequent in the earlier years of the study versus the later years. Ensuring that the correct grant/record is categorized and summed accurately involves creation of a Standardized Field and cross-checking of original Unique Record Number (i.e., Project ID#) in an Action Plan, to a Standardized figure in the CAPER.

As a Public Record Source these documents cannot be assumed to be accurate and therefore they do not give the reader a true picture of the allocations and use of grant funds.

CONSOLIDATED PLAN PRIORITIES:

All City of Flint allocations are (in theory) related to the Consolidated Plan priorities. The ability to measure and determine whether Flint has allocated Block Grant according to the four stated priorities is one of the weakest areas in the HUD, and City of Flint, reporting system. The four general priorities are:

1. Increased homeownership opportunities for all households.
2. Increased owner-occupied rehabilitation opportunities for all households.
3. New economic development initiatives designed to improve the City's livability.
4. Increased emphasis on holistic approach to improving neighborhoods.

These four priorities are not referenced in any way to specific allocations, in any document analyzed for Use. When the various categorization schemes are analyzed only speculation (based on the naming of sub-categories) can be utilized to compare stated priorities, with activities actually funded. Starting with the broadest category of Matrix Code, the top four allocations are for:

1. Rehab: Single Family	$14,921,775	35%
2. Clearance and Demolition	$7,853,200	19%
3. General Program Administration	$5,621,600	13%
4. Public Services	$2,400,824	6%
Total of these four categories	$30,797,399	73%

Please note:

- the third Con Plan Priority (New economic development initiatives designed to improve the City's livability) can be summed by adding three subcategories (ED Technical Assistance, ED Direct Financial Assistance to For Profits, Micro-Enterprise Counseling) for a total of $1,437,800 or 3% of total allocations.

- Whether the top four Matrix Code categories meet the Con Plan Priorities is a subjective decision according to the naming structure.

If the allocations are reviewed according to Category the top four allocations are:

1. Housing	$23,493,499	56%
2. Planning and Administration	$6,104,050	14%
3. Other	$5,258,117	12%
4. Public Services	$3,729,302	9%
Total of these four categories	$38,584,968	91%

Please note:

- the third Con Plan Priority (New economic development initiatives designed to improve the City's livability) is categorized in Category as Economic Development. This category's allocation is summed as $1,487,800 or 4% of total allocations.

- Whether the top four allocations in Category meet the Con Plan Priorities is a subjective decision according to the naming structure.

If the allocations are review by Program Type, the top four are:

1. Housing Rehab	$12,889,313	30%
2. Demolition	$8,258,200	20%
3. Administration	$6,304,050	15%
4. New Construction	$2,306,274	15%
Total of these four categories	$29,757,837	70%

If the allocations are reviewed by Program Sub-Type (in the Housing Category) the top four allocations are:

1. (All versions of including Emergency Repair) Owner Occupied Rehab	$7,385,733	17%
2. (All versions of) Homeownership Opportunities	$2,131,150	5%

The observations on comparison of allocations to Consolidated Plan priorities are:

- It appears to be a subjective categorization and there appears to be no way to accurately measure or evaluate the four stated Consolidated Plan Priorities, with the actual programs or activities which are funded.

- A disproportionate amount of the funding is used for Administration of the grant, versus stated priorities. *[Note – the Administration allocations are however, in alignment with HUD regulations and allowable administration expenses.]*

LEVERAGING OF BLOCK GRANT FUNDS FOR HOUSING:

Although MSHDA funds are not the only leveraged funds employed by Block Grant Recipients for housing, these state funds are relatively easy to obtain once a Recipient has City of Flint Block Grant Match. To not leverage the Block Grant with MSHDA funds is to decrease the quantified potential for delivery of housing activities and services in the City of Flint. A distressed City like Flint, with such overwhelming need and housing blight, should be maximizing every opportunity to increase the pool of available funds for housing activities.

Of the $28,925,287 awarded in Block Grant for Housing Activities only $2,486,203 of this funding was leveraged by nonprofits with MSHDA funds. This is only 9% leveraged and it represents a significant loss of funding opportunity.

Unlike nonprofit organizations, the city is not an eligible entity or applicant for MSHDA funds. Therefore, every dollar they allocate to themselves for housing—is a potential loss of that amount. During the 1998-2002 time period the City kept forty-eight percent of the Housing Category funds. That's a potential loss of Thirteen million, eight hundred eighty-five thousand, nine hundred ninety-four dollars ($13,885,994).

COMMENTS ON CHART 36 -1998-2002 CAPER SUM TOTALS BY RECIPIENT: HOUSING CATEGORY

Efficacy in allocations and Use of Block Grant funds is demonstrated in Chart 36. Particular attention should be paid to the differences in Amount (originally) Authorized, to CAPER Project Committed, as well as Unexpended

Balance. If there is a marked decrease from Amount Authorized to CAPER Project Committed the question to ask, is Why? If this is a consistent pattern (as demonstrated in this five-year study) then the original allocations to that Recipient should be considered before future allocations are made. This pattern of marked decrease means that funding is not being utilized (whatever the reasons may be) and therefore cannot be viewed as efficient or effective use of funding.

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REFERENCES

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