

City of Muskegon

Work Session

Minutes

January 9, 2023, 5:30 pm

Muskegon City Hall

933 Terrace Street, Muskegon, MI 49440

Present: Mayor Ken Johnson
Commissioner Rachel Gorman
Commissioner Rebecca St.Clair
Commissioner Eric Hood
Vice Mayor Willie German, Jr.
Commissioner Michael Ramsey
Commissioner Teresa Emory

Staff Present: City Clerk Ann Meisch
City Attorney John Schrier
Deputy City Clerk Kimberly Young
City Manager Jonathan Seyferth

1. Call to Order

Mayor Ken Johnson called the Worksession meeting to order at 5:30 p.m.

1.a MIHAF (Michigan Homeowner Assistance Fund) - City Treasurer

City Treasurer Sarah Wilson provided an overview of the State of Michigan Homeowner Assistance Fund Program.

The Homeowner Assistance Fund was established as part of the American Rescue Plan Act of 2021 (ARP). The State of Michigan received more than 242 million dollars, to be used to mitigate hardships associated with the coronavirus pandemic, including utility payments. The State created the Michigan Homeowner Assistance Fund (MIHAF) to provide these funds to eligible homeowners. The City Treasurer is requesting authorization to sign the attached

documents to partner with MIHAF so that any eligible city residents can receive utility payment assistance.

The Michigan Homeowner Assistance Fund (MIHAF) is a statewide program that uses federal resources to provide financial assistance to homeowners who have fallen behind on homeownership-related expenses because of the COVID-19 Pandemic. It provides funds to eligible entities for the purpose of preventing homeowner mortgage delinquencies, defaults, foreclosures, loss of utilities or home energy services, and displacements of homeowners through qualified expenses related to mortgages and housing. Eligibility criteria and eligible expenses are detailed on the attached documents. Participation in the program does not guarantee our residents will receive funding from this program; however, it does make them eligible to apply for funding. If we choose not to partner with MIHAF, our residents cannot apply for these funds to assist in paying their utility bills.

Discussion took place regarding the Homeowner Assistance Fund and this item will appear on the agenda for the Regular City Commission Meeting on January 10, 2023.

1.b ARPA Community Grant - Discussion Only - Development Services

Peter Wills, Director of Strategic Initiatives, provided an update to the City Commission on the work that has been done by the ARP Team which includes the City's Division Heads. The team is seeking feedback on the proposed "ARP Community Grant Program".

Seeking authorization to dedicate \$2,000,000 from the City's remaining allocation of American Rescue Plan Act (ARPA) federal stimulus funds for the creation of an "ARP Community Grant" program.

The [federal American Rescue Plan Act of 2021](#) (ARP), signed into law 3/11/21, provided \$350 billion to eligible state, local, territorial, and tribal governments to support and meet the public health and economic needs of those impacted by the COVID-19 public health emergency in their communities as well as address longstanding health and economic disparities, which amplified the impact of the pandemic in disproportionately impacted communities, resulting in more severe pandemic impacts. These funds are being made available through the [federal Coronavirus State and Local Fiscal Recovery Funds \("SLFRF"\) program](#). The program ensures that governments have the resources needed to:

- Fight the pandemic and support families and businesses struggling with its public health and economic impacts,
- Maintain vital public services, even amid declines in revenue, and
- Build a strong, resilient, and equitable recovery by making investments that support long-term growth and opportunity.

Of the approximately \$6,180,000 from the City's remaining balance of federal ARP stimulus funds, \$2,000,000 would be available to establish a **new city-sponsored ARP Community Grant program**.

Program to seek proposals from eligible 501(c)(3) nonprofit organizations and small businesses, located in the city limits. Grant funds intended to advance equity, strengthen the economic vitality of the city, and strengthen the quality of life for city residents. Proposals must meet the objectives of the ARPA program and be aligned with the City's Long Term Goals and strategic priorities.

Grant program details:

- Eligible applicants include: 501(c)(3) nonprofit organizations with up to \$2 million in operating expenses & small businesses which meet the U.S. Small Business Administration's small business size standards.
- Grant funds to be used for costs incurred on or after March 3, 2021.
- Grant Applications available 2/1/23. Application deadline 3/1/23. Final recommendations announced to public by March 28, 2023.
- Grant awards in the range from \$25,000 to 250,000. Fixed grant amounts only for: \$25,000, \$50,000, \$75,000, \$100,000, \$150,000, \$200,000 or \$250,000. Cost share/matching funds not required.
- The number of grants will be limited by the budgeted amount.
- Proposed projects must be obligated/contracted by 12/31/24, and funds spent by 12/31/26.
- Applicants awarded grant funds will enter into a contractual agreement (SLFRF Beneficiary Agreement) with the city which outlines general obligations and reporting requirements.

Complete applications sent to ARP City Staff Review Committee (the Committee) for consideration. Committee ranks eligible applications and sends a list of recommended recipients and grant amounts to the City Commission for final

approval. Commission reviews and approves selected recipient applications at a Regular Meeting of the Commission (3/28/23).

Discussion took place and some changes will be made to the program. This will be brought back to the Commission for final approval after updates are made.

1.c ARPA Proposal for Park Improvements - Public Works

Staff is proposing to invest a significant portion of the remaining ARP funding into a revision of the Parks & Recreation Master Plan and a resultant multi-year parks capital improvement program. Staff is proposing to dedicate roughly \$4.5M of the remaining ARP funds towards Parks Capital Improvement projects to help fill the investment gap in the next few years. By combining a stream of ARP dollars with the existing dedicated revenue from Paid Parking (\$400K Annual Average), the Convention Center Naming Rights (\$150K Annual Average), and any obtainable grant funding we should be able to show what can be accomplished with a level of investment commensurate to our ambitions from the 2019 and 2022 plans.

Discussion took place regarding the ARP Proposal for Park Improvements.

2. Public Comment

Public comment was received.

3. Closed Session - Pending Litigation - 22-002888-CZ - Rachel McMillan v City of Muskegon, Jeffery Lewis, and Jay Paulson

No. 2023-01

To go into closed session to consult with our attorney regarding trial and settlement strategy concerning Rachel McMillan v City of Muskegon, Jeffery Lewis, and Jay Paulson, 14th Judicial Circuit Case No. 22-002888-CZ because a discussion in an open meeting would have a detrimental effect on the litigating or settlement position of the City of Muskegon.

YES: (6): Mayor Johnson, Commissioner Gorman, Commissioner St.Clair, Commissioner Hood, Vice Mayor German, and Commissioner Emory

Absent (1): Commissioner Ramsey

MOTION PASSES (6 to 0)

No. 2023-02

To go out of closed session.

MOTION PASSES

4. Closed Session - Pending Litigation-22-003962-CZ - West Michigan Mart Dock & Market Corporation v City of Muskegon

No. 2023-03

To go into closed session to consult with our attorney regarding trial and settlement strategy concerning West Michigan Dock & Market Corporation v City of Muskegon, 14th Judicial Circuit Case No. 22-003962-CZ because a discussion in an open meeting would have a detrimental effect on the litigating or settlement position of the City of Muskegon.

YES: (7): Mayor Johnson, Commissioner Gorman, Commissioner St.Clair, Commissioner Hood, Vice Mayor German, Commissioner Ramsey, and Commissioner Emory

MOTION PASSES (7 to 0)

No. 2023-04

To go out of closed session.

MOTION PASSES

5. Adjournment

The Work Session meeting adjourned at 8:20 p.m.

Ann Marie Meisch, MMC - City Clerk