



City of Kalamazoo

PY2024 Annual Action Plan

for

Community Development Block Grant

and

HOME Investment Partnership Program

Year Six of the 2019-2024 Consolidation Plan

Adopted by the Kalamazoo City Commission on: May 13, 2024

Submitted to HUD on: May 15, 2024

Prepared by: Community Planning and Economic Development

THE CITY OF KALAMAZOO

ANNUAL ACTION PLAN

JULY 1, 2024 – JUNE 30, 2025

City Commissioners:

Mayor David Anderson

Vice Mayor Jeanne Hess

Don Cooney

Qianna Decker

Stephanie Hoffman

Chris Praedel

Alonzo Wilson

Community Development Act Advisory Committee:

Tiffany Burns, Chair

Tiyanna Williams, Co-Chair

Nathan Browning

Stephanie Vallar

Chelsea Viere

Department of Community Planning & Economic Development

Antonio Mitchell, Director

Sharilyn Parsons, Community Development Manager

Julie Johnston, Compliance Specialist II

Rachael Luscomb, Compliance Specialist I

Alex Hoffmann-Zobel, Compliance Associate

Ellie Shenker, Grants Compliance Finance Specialist

Table of Contents:

Executive Summary..... 1

 Introduction1

 Summary of the Objectives and Outcomes in the Plan.....2

 Evaluation of Past Performance3

Lead and Responsible Agencies 4

Consultation 5

 Introduction5

 Summary of Activities to Enhance Coordination.....5

 Coordination with Continuum of Care.....7

 Consultation with Continuum of Care on ESG Funds7

 List of Housing, Social Service, and other Organizations the City Consults9

 Agency Types not Consulted.....14

 Other Planning Efforts Considered14

Public Participation 14

 Summary of Public Participation Process14

 Summary of Public Comments.....15

 Summary of Comments not Accepted.....15

Expected Resources 16

 Introduction16

 PY2024 Budget.....16

 Additional Fund and Required Match Dollars.....17

 Expected Resources and Priorities.....18

Annual Goals and Objectives 20

PY2024 Projects 23

 Introduction23

 Projects24

 Reasons for Allocation Priorities and Obstacles to Addressing underserved Needs.....33

Geographic Distribution 34

 Description of Geographic Areas34

 Rational for Allocating Investments Geographically.....35

Table of Contents continued:

Affordable Housing 36

 Introduction 36

 Discussion 37

Public Housing 37

Homeless and Other Special Needs Activities..... 37

 Introduction 37

 PY2024 Goals and Action for Reducing and Ending Homelessness..... 38

 Emergency Shelter and Transitional Housing Needs..... 38

 Helping Homeless Persons Transition to Permanent Housing..... 39

 Helping Low Income Individuals and Families Avoid Becoming Homeless 40

 Additional Information 42

Barriers to Affordable Housing 42

 Introduction 42

 Actions Planned to Remove Barriers to Affordable Housing..... 43

 Additional Information 44

Other Actions Required by HUD 45

 Introduction 45

 Actions Planned to Address Obstacles to Meeting Underserved Needs..... 45

 Actions Planned to Foster and Maintain Affordable Housing 46

 Actions Planned to Reduce Lead-Based Paint Hazards 46

 Actions Planned to Reduce the Number of Poverty-Level Families 47

 Actions Planned to Develop Institutional Structure 48

 Actions Planned to Enhance Coordination between Housing and Social Service Agencies..... 49

Program Specific Requirements 50

 Introduction 50

 Community Development Block Grant Program..... 50

 Home Investment Partnership Program..... 51

Executive Summary

Introduction

The City of Kalamazoo is an entitlement community receiving federal funds from the U.S. Department of Housing and Urban Development (HUD). Each year the city is required to submit an Action Plan to HUD that will identify how the federal grant funds will be utilized during that program year. The activities described in the Annual Action Plan are a result of the goals and strategies outlined in the city's 2019 – 2024 Consolidated Plan. Program Year (PY) 2024 (July 1, 2024 through June 30, 2025) represents the sixth and final program year of the current Consolidated Plan. Approval was given by HUD in 2023 to extend the typical 5-year Consolidated Plan by one program year. This is to allow the city to align the public engagement processes for both the Consolidated Plan and the Imagine Kalamazoo Master Plan update, which is planned in 2024. The current Consolidated Plan will expire in June of 2025.

The Action Plan constitutes the city's application to HUD for its Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME) funds, which are the primary federal resources for addressing Kalamazoo's housing and community development needs. The city will receive \$2,047,173 in PY2024 through the CDBG (\$1,594,631) and HOME (\$452,542) entitlement grants. This is \$137,598 less than received in PY2023, primarily from the HOME program which decreased by \$114,062.

As is required by HUD, older allocations of funds are expected to be spent first when setting up CDBG activities. Due to the completion of projects coming in under budget between 2020 and 2022, mostly due to the COVID-19 pandemic, there are now unallocated funds in program years 2022 and 2023 that need to be assigned to an activity. A total of \$45,419.53 in unallocated funds are included in the budget for PY2024.

Program income is defined as "any gross income received that was directly generated from the use of federal funds." As part of the action plan process, any anticipated program income must be identified and assigned to an eligible project. Typically, the activity that generates the program income is allowed to retain the funds to assist in the continuation of that activity. Approximately \$36,000 is anticipated in program income in PY2024 generated by the Kalamazoo Neighborhood Housing Services roof replacement program.

The complete expected budget for program year 2024 totals \$2,128,592.53.

The Community Development Division of the Community Planning and Economic Development Department will also report, to the extent possible, on other resources expected to be used in ways consistent with the Consolidated Plan. This includes both funds and resources of other organizations and agencies, foundations, local nonprofits, and for-profits which address the housing and community development needs of the city and its residents.

Summary of the Objectives and Outcomes identified in the Plan

The 2019-2024 Consolidated Plan outlines the highest priority community development needs to assist the city in targeting funding. The resulting goals and objectives were developed through a needs assessment of housing, homelessness, special needs populations, and community development, as well as consultations with area agencies and citizen input. Based on the analysis of needs and the input received, the city's highest priorities, in no particular order, are as follows:

1. Improve the amount of decent and affordable housing in the city.
2. Work towards ending homelessness by supporting HUD's Strategic Plan to Prevent and End Homelessness implemented through the Kalamazoo County Continuum of Care.
3. Advance the sustainability of the CDBG-eligible neighborhoods identified in the Consolidated Plan through the continuation of city services and redevelopment of key neighborhood improvements.
4. Develop well-adjusted and productive adults through supporting youth programs and activities that provide positive experiences and opportunities to enhance interests, skills, and abilities into adulthood.

In support of these priorities, the city proposes to use its entitlement funds in PY2024 as follows:

- Support neighborhood revitalization by targeting core neighborhoods to improve the quality of life through crime awareness, code enforcement, and address public space improvements.
- Rehabilitate or complete repairs to existing owner-occupied housing to improve the quality of housing stock in the community for low income persons and families.
- Support youth development through an afterschool program that provides educational opportunities for youth to promote efficacy, relationship building, belonging, and self-worth; and a recreation program that offers financial assistance to kids on an individual basis.
- Support activities that affirmatively further fair housing within the City of Kalamazoo.
- Utilize Community Development Division staff to provide oversight of the federal funds.

The activities that will be funded in PY2024 and their award is outlined in the table on the following page.

Table 1: PY2024 Activities – Entitlement and Reprogrammed Funds

Organization	Activity Name	Funding Award
CDBG Funds		
City Community Development Division	CDBG Administration	\$318,000.00
Legal Aid of Western Michigan	Affirmatively Furthering Fair Housing Activity	\$20,000.00
Kalamazoo Friends of Recreation	Youth Recreational Assistance Fund	\$10,000.00
City Parks and Recreation Department	After School Youth Programs	\$15,000.00
City of Kalamazoo Public Safety	Crime Awareness and Prevention	\$150,000.00
Community Homeworks	Critical Home Repair Program	\$170,000.00
Edison Neighborhood Association	812 Washington Rehabilitation	\$10,000.00
Kalamazoo Neighborhood Housing Services ¹	Homeowner Roof Replacement Program	\$138,000.00
Milestone Senior Services	Home Repair for the Elderly	\$58,000.00
City Housing Inspection / Code Team	Code Enforcement	\$400,000.00
City Housing Inspection / Code Team	Demolition	\$50,000.00
City Community Development Division	Lead Based Paint Hazard Control Program	\$75,150.00
City Community Development Division ²	Neighborhood Enhancement: Public Revitalization Project	\$161,900.53
City CPED partnered with Community Homeworks ³	Code Enforcement Repair Program	\$100,000.00
CDBG TOTAL:		\$1,676,050.53
HOME Funds		
City Community Development Division	HOME Administration	\$45,254.00
City Community Development Division	Affordable Housing Program	\$407,288.00
HOME TOTAL:		\$452,542.00
ALL PROGRAMS TOTAL:		\$2,128,592.53

¹Includes \$36,000 in anticipated program income.

²Includes \$45,419.53 in unallocated funds.

³HUD required program. City partners with Community Homeworks for implementation.

It is the City of Kalamazoo's intent to utilize 80 percent of its federal resources for activities that will benefit low income persons. Details about the individual activities to be accomplished during PY2024 can be found in the Projects section of this report (page 23).

Evaluation of Past Performance

As the COVID-19 pandemic restrictions eased during 2022, subrecipients of the city were able to make gains on much of their previous activity performance issues. Subrecipients, especially those working in improvements to housing, still experience some difficulties completing projects. The substantial increase in construction costs has reduced the number of households are subrecipients have been able to assist.

Supply chain issues and labor shortages also continue to impact the ability to complete projects. However, the strategies put in place between the city and subrecipients is currently working to get back on track, particularly with CDBG timeliness of expenditures. The majority of PY2022 activities and a good portion of PY2023 activities should be completed by June 30, 2023.

In addition to the impacts of COVID-19 on project performance, new staffing at the city has been substantial. Over the past three years, there are six new members of the Community Development Division. Significant time has been expended on improving relationships with other city departments, creating policies and procedures for our Division that work cooperatively with staff outside of Community Planning and Economic Development, learning the grant programs, and becoming familiar with our subrecipients and their funded activities.

From the start of the 2019-2024 Consolidated Plan, the following activities utilized federal dollars to support low income individuals or families and ensure the resulting performance (based on Program Year 2022 final reporting):

- 513 owner-occupied homes received rehabilitation.
- 27 homes received lead-based paint remediation.
- 46 homebuyers received direct financial assistance.
- 68 rental units were rehabilitated.
- 24 blighted buildings were demolished, including one commercial building in the Eastside Neighborhood.
- 88 business were assisted with funds through the Coronavirus Aid, Relief, and Economic Security Act (CARES).
- 8,355 violation notices and/or inspections were performed by the Code Enforcement team in the city's core neighborhoods and a new program was developed and is currently underway to assist those homeowners who have received a citation to complete repairs to their homes. To date, seven households have been assisted.
- The neighborhood center for Kalamazoo Neighborhood Eastside Association received repairs to improve interior and exterior lighting, signage, and access.
- 609 homeless persons received assistance with supportive services.
- 84 children received after-school homework assistance and recreation opportunities.

Lead and Responsible Agencies

The lead entity for the administration of CDBG and HOME programs is the City of Kalamazoo through the Community Development Division of the Department of Community Planning and Economic Development. As the lead agency, the city is responsible for overseeing the development and implementation of the 2019-2024 Consolidated Plan, associated annual Action Plans, and year-end Consolidated Annual Performance Evaluation Reports. Community Development Division staff provides administrative and planning support for the use of the federal funds and acts as the primary staff to the Community Development Act Advisory Committee. This Committee is a 13-member board that is appointed by the City Commission to advise on matters related to community development, make recommendations on the expenditure of federal funds designated for the annual competitive application

process, assist with the development of HUD related documents, ensure citizen participation in all phases of the federal allocation process, and to promote community development activities within the city.

Table 2: Lead Agency Roles

Agency Role	Agency Name	Department
Lead Agency	City of Kalamazoo	Dept. of Community Planning and Economic Development
CDBG Administrator		
HOME Administrator		

Consultation

Introduction

As the lead agency, the City of Kalamazoo, through the Department of Community Planning and Economic Development, oversaw the consultation required to complete the 2019-2024 Consolidated Plan. Staff collaborated with a wide network of community services and housing providers, clients of those providers, government officials, business leaders, neighborhood representatives, and residents. Information was gathered in several ways which included a Community Needs Survey, stakeholder and neighborhood meetings, outreach at established community events, and provider meetings. The goals and strategies of the Consolidated Plan represent the information collected from this collaboration, as well as from public comment and public hearing opportunities.

The city engages in ongoing consultation with local service providers, community leaders, community development partners, and the public. Consultation includes correspondence with area agencies, attendance at local and regional meetings and committees, outreach by City Commissioners, and public meetings. The Community Development Division also consults with other city departments to identify public facility and community development needs.

Summary of Activities to Enhance Coordination between Public and Assisted Housing Providers and Private and Governmental Health, Mental Health and Service Agencies

United Way of Battle Creek and Kalamazoo is the lead agency for the Kalamazoo County Continuum of Care, the organization responsible for the planning and implementation of housing and homeless programs in Kalamazoo County. Their mission is to provide equitable access to safe, affordable, and dignified housing.

Continuum of Care membership includes representation by housing, mental health, drug and alcohol treatment providers; emergency shelters and outreach organizations; faith-based organizations; youth services; and other interested organizations. Their goal is to increase the inventory of and access to affordable housing in our community while serving as the clearinghouse for information regarding the range of homelessness prevention, housing, and supportive services available in the county.

A priority of this goal is to improve coordination and integration with mainstream resources. Continuum of Care seeks to provide a standardized and transparent entry, assessment, and referral process for people

experiencing a housing crisis or homelessness. Further priorities include improving collaboration, communication, efficiency, and transparency between agency service providers, as well as enhance services offered to program participants through a participant-focused and coordinated system. In accordance with the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009, and Notice Establishing Additional Requirements for a Centralized or Coordinated Assessment System (CPD-17-01), the Kalamazoo County Continuum of Care provides a comprehensive description of the policies and procedures of this Coordinated Entry System for those experiencing homelessness.

The city works with Continuum of Care partners and agency volunteers who represent public and assisted housing providers, and private and governmental health, mental health, and service agencies by serving on one or more of the following Continuum of Care committees and workgroups, including:

- Allocations & Accountability Committee: Establishes an open, fair, and impartial process for the solicitation of projects and the selection of projects for funding.
- Systems of Care (SoC) Committee: Serves as the Continuum of Care interagency team to identify and eradicate barriers that prevent or limit access to housing and services in the community.
- Data Team: Provides monitoring and routine support for all aspects of the Homeless Management Information System (HMIS).
- Coordinated Entry Committee: Carries out HUD mandated coordinated entry processes, and includes the following committees:
 - Community Housing Matching Process (CHaMPs) Committee / MI-507 By-Name List team is the Coordinated Entry for Kalamazoo County where partner agencies come together to manage resources and services for those experiencing homelessness. MI-507 By-Name List team reviews cases of youth, family, and chronically homeless.
 - Veterans by Name List team specifically focuses on homeless veterans.
- Kalamazoo Shelter Group: A collaboration between shelter providers and outreach organizations to be responsive to the needs of short-term crises within emergency sheltering.
- Coordinated Entry Committee: Provides oversight and review of the coordinated entry system for both temporary and permanent housing for persons experiencing homelessness.

In addition, the Continuum of Care is involved in a state-wide initiative called CoC Equity Results Team (CERT) to address inequities and promote equitable practices and outcomes in housing and homeless services across Michigan. This initiative is providing consultant services and other statewide partners to support local CoC's. To date, CERT has created a county-wide system map and convened listening sessions for individuals with lived expertise in homelessness.

Semi-annually, the Continuum of Care holds a community-wide partner meeting at the city. Notice of the meetings are provided through a variety of venues including email distribution lists, announcement at

Continuum of Care committee meetings, and postings on the Continuum of Care website. Email lists are inclusive of a broad range of community partners, formerly homeless, and non-member partners.

Describe Coordination with the Continuum of Care and Efforts to Address the Needs of Homeless Persons and Persons at Risk of Homelessness

The Continuum of Care has a 10-year plan to end chronic homelessness and yearly action plans that assist with strategic decision-making regarding program outcomes. The policy for Prioritization of Permanent Housing Beds addresses how permanent housing beds are prioritized to serve the chronically homeless and other homeless populations. Currently, the Continuum of Care Coordinated Entry System utilizes three tools for the purposes of prioritizing individuals and families for housing services. These tools are:

1. Vulnerability Index-Service Prioritization Decision Assistance Tool (VI-SPDAT), which is used for single adults and households without children under the age of 18.
2. Family Vulnerability Index-Service Prioritization Decision Assistance Tool (VI-F-SPDAT), which is used for households with at least one adult and one child under 18 years of age.
3. Transition-Age Youth Vulnerability Index-Service Prioritization Decision Assistance Tool (TAY-VI-SPDAT), which is used for youth aged 24 years and younger.

The overall coordinated entry system, and specifically the VI-SPDAT, is currently under review by the Michigan Interagency Council on Homelessness. In early 2020, the Michigan Homeless Policy Council organized a statewide taskforce on the VI-SPDAT, to research and gather feedback from stakeholders on how the implementation of the tool has impacted those seeking services. Michigan's Campaign to End Homelessness 2023-2025 Action Plan outlines a strategy to determine new tool(s) to replace the VI-SPDAT to help create equity and address disparities in coordinated entry by December 2023. The goal is to develop or select a new screening tool that meets the needs of all those who seek housing. The January 2024 update from Michigan Campaign to End Homelessness indicates that a workgroup is being formed to create a pilot program.

Consultation with the Continuum of Care on Allocation of ESG Funds

The Kalamazoo County Continuum of Care was instrumental in the development of the City of Kalamazoo's 2019-2024 Consolidated Plan. The priorities of the 10-Year Plan to End Homelessness called "Opening Doors," which is a comprehensive community-wide homelessness planning and implementation strategy, was integral to the goals and priority needs of the Consolidated Plan. The Emergency Solutions Grant (ESG) program, established by the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (which amended the McKinney-Vento Homeless Assistance Act) is one funding source to help implement these strategies. While the city no longer receives ESG funding, the Michigan State Housing Development Authority (MSHDA) provides their ESG funding to the Continuum of Care. Their funds are distributed through a single application process to local service providers to have the most coordinated impact on ending homelessness.

The city consults with the Continuum of Care in a number of ways, most significantly a member of city administration is appointed to a permanent seat on the Continuum of Care’s governing body. In addition, city staff sits on the Continuum of Care’s Allocations and Accountability Team. This enables the city to be an integral part of the development of strategies and goals of the Continuum of Care. It also allows staff to directly interact with agencies that work to end homelessness.

As a member of the governing body and important committees, the city assists in determining how ESG funds will be allocated. Staff is involved in developing the performance standards to evaluate outcomes of projects and activities assisted by ESG funds, as well as the policies and procedures for the operation and administration of HMIS. These procedures include a performance tracking system to help subrecipients meet their monthly, bi-annual, and yearly goals and the submission of quarterly HMIS reports and data to be reviewed by the Allocations and Accountability and Data teams.

All agencies serving or intending to serve Kalamazoo County residents experiencing homelessness or those at risk of becoming homeless and are eligible according to the Notice of Funding Opportunity (NOFO) and the grantor’s defined rules, are encouraged to apply for funding. The ESG NOFA is distributed by email to more than 100 community partners and is posted in the local newspaper and on the Continuum of Care website. The Continuum of Care order of funding priorities are:

1. Permanent Support Housing
2. Joint Transitional Housing/Permanent Housing
3. Rapid Rehousing
4. Supportive Services Only Coordinated Entry
5. HMIS

The Continuum of Care is especially interested in projects that address social influencers of health; two generational approaches with a lens on childhood education; and inequities experienced by marginalized identities, including Black Indigenous People of Color (BIPOC), persons living with disabilities, and LGBTQIA+.

For an agency to be elected for funding, they must be able to illustrate that their organization:

- Participates in the coordinated entry process that includes all subpopulations: (1) adults without children, (2) adults accompanied by children, (3) unaccompanied youth, or (4) households fleeing domestic violence.
- Ensures priority of people with the greatest needs.
- Has a coordinated entry process that does not screen people out for assistance because of perceived barriers to housing or services.
- Has a “Housing First” orientation and approach. People are housed quickly without preconditions or service participation requirements.

- Utilizes rapid re-housing to help families resolve their immediate crises, find and secure housing, and connect to services if/when appropriate. This is a crisis-related, lighter-touch (typically six months or less) approach.

List of Housing, Social Service, and Other Organizations the City Consults

The strategy of the City of Kalamazoo is to promote integrated approaches to community development that provide decent housing, a suitable living environment, and expand economic opportunities for low income persons. The primary means towards this end is the development of partnerships among all levels of government and the private sector, including for-profit and nonprofit organizations. This is an ongoing process that generally begins with the development of the consolidated plan and is reinforced through the creation of the annual action plans.

The following table outlines the organizations the city consulted and/or was involved in the application process in some way:

Table 3: Consultation PY2024

Agency/Group/Organization	Agency/Group/Organization Types	Section of Plan addressed by Consultation
Building Blocks Kalamazoo	Housing	Housing Needs Assessment
Charlie’s P.L.A.C.E.	Services - Children	Non-Homeless Special Needs
Community Homeworks	Housing	Housing Needs Assessment; Non-Homeless Special Needs; Homeless Prevention; Market Analysis
Counting to One Ministries	Services Civic Leader	Community outreach ministries
Edison Neighborhood Association	Housing	Housing Needs Assessment
Fair Housing Center of Southwest Michigan	Services – Fair Housing	Housing Needs Assessment; Anti-Poverty Strategy
Friends of Recreation	Services - Children	Non-Homeless Special Needs
Hollander Development	Housing	Housing Needs Assessment; Market Analysis

Agency/Group/Organization	Agency/Group/Organization Types	Section of Plan addressed by Consultation
Kalamazoo County Continuum of Care	Services - Homelessness	Housing Need Assessment; Homelessness Strategy; Homeless Needs - Chronically Homeless; Homeless Needs - Families with Children; Homelessness Needs - Veterans; Homeless Needs – Unaccompanied Youth; Anti-Poverty Strategy
Kalamazoo Institute of Arts	Services - Children	Non-Homeless Special Needs
Kalamazoo Junior Girls Organization	Services - Children	Non-Homeless Special Needs
Kalamazoo Friends of Recreation	Services - Children	Non-Homeless Special Needs
Kalamazoo Neighborhood Housing Services	Housing	Housing Need Assessment; Lead-based Paint Strategy; Non-Homeless Special Needs; Economic Development; Market Analysis; Anti-poverty Strategy
Latter Rain Outreach	Services - Health	Non-Homeless Special Needs
Lockhart Management and Consulting	Housing	Housing Needs Assessment; Market Analysis
Men of Purpose	Housing	Housing Needs Assessment
Milestone Senior Services	Services – Elderly Persons; Housing	Non-Homeless Special Needs; Housing Needs Assessment
Northside Association for Community Development	Housing	Housing Needs Assessment; Market Strategy
Odyssey Community Improvement	Housing	Housing Needs Assessment
Stuart Historic Neighborhood Association	Housing	Housing Needs Assessment
Tabernacle Community Development Corporation	Housing	Housing Needs Assessment
YWCA Kalamazoo	Services – Victims of Domestic Violence	Housing Needs Assessment; Non-Homeless Special Needs; Homeless Needs – Families and Children

Agency/Group/Organization	Agency/Group/Organization Types	Section of Plan addressed by Consultation
Briefly describe how the Agencies/Groups/Organizations were consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?		
<p>The City has ongoing consultations with a number of these organizations as they are regularly funded through federal grants. Other organizations were involved in outreach related to the PY2024 application process. Program interaction occurs during the application process and throughout the program year as individual projects are completed. Monthly reporting occurs to assist with project coordination and to understand needed staff support, capacity building, or other desired services.</p>		

The next table outlines the organizations the city consistently works with to support direct neighborhood growth and development:

Table 4: Neighborhood Consultation

Agency/Group/Organization	Agency/Group/Organization Types	Section of Plan addressed by Consultation
Edison Neighborhood Association	Planning Organization Neighborhood Organization	Housing Needs Assessment Homelessness Strategy Non-Homeless Special Needs Economic Development Anti-Poverty Strategy
Kalamazoo Eastside Neighborhood Association		
Northside Association for Community Development		
Stuart Neighborhood Association		
Vine Neighborhood Association		
Briefly describe how the Agencies/Groups/Organizations were consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?		
<p>The neighborhood associations working within the CDBG-eligible census tracts of the city function in multiple roles and provide a variety of services to their residents. Consultation on neighborhood public infrastructure, public safety, housing, and other development needs is ongoing. Each neighborhood has a seat on the Community Development Act Advisory Committee to provide insight into their neighborhood’s needs, as well as allowing each neighborhood organizations to weigh in on the annual action plan.</p>		

The final table outlines additional community agencies, groups, and organizations that the city consulted either during the development of the 2019-2024 Consolidated Plan or this Action Plan:

Table 5: Consolidated Plan Consultation

Agency/Group/Organization	Agency/Group/Organization Types	Section of Plan addressed by Consultation
Bronson Hospital	Housing; Services - Homeless	Homelessness Strategy; Homeless Needs - Chronically Homeless; Homeless Needs - Families with Children; Homelessness Needs - Veterans; Homelessness Needs - Unaccompanied Youth
Building Blocks	Housing; Neighborhood Organization	Housing Need Assessment; Lead-based Paint Strategy; Homelessness Strategy; Non-Homeless Special Needs; Anti-poverty Strategy
CARES	Services - Persons with Disabilities	Housing Needs Assessment; Market Analysis; Homelessness Strategy; Anti-poverty Strategy
CDAAC	Civic Leaders	Housing Need Assessment; Homelessness Strategy; Homeless Needs - Chronically homeless; Homeless Needs - Families with Children; Homelessness Needs - Non-Homeless Special Needs; Anti-poverty Strategy
Disability Network of SW MI	Services - Persons with Disabilities	Housing Needs Assessment; Non-Homeless Special Needs
El Concilio	Services - Housing; Services - Children; Services - Health; Services - Education; Services - Employment; Services - Fair Housing	Housing Need Assessment; Non-Homeless Special Needs; Economic Development; Market Analysis; Anti-Poverty Strategy
GFM The Synergy Center	Services - Youth	Families with Children; Homelessness Needs - Unaccompanied youth; Non-Homeless Special Needs; Market Analysis; Anti-poverty Strategy
Gospel Mission	Housing; Services - Housing; Services - Homeless	Housing Needs Assessment; Homeless Needs; Homeless Strategy; Market Analysis; Anti-Poverty Strategy
Housing Matters	Housing; Services - Housing	Housing Needs Assessment; Homelessness Strategy; Non-Homeless Special Needs; Economic Development; Anti-Poverty Strategy

Agency/Group/Organization	Agency/Group/Organization Types	Section of Plan addressed by Consultation
Housing Resources Inc.	Housing; Services - Housing; Services - Homeless	Housing Need Assessment; Lead-based Paint Strategy; Homelessness Strategy; Homeless Needs - Chronically Homeless; Homeless Needs - Families with Children; Homelessness Needs - Veterans; Market Analysis; Anti-poverty Strategy
ISAAC	Civic Leaders	Housing Needs Assessment; Homeless Needs; Homeless Strategy; Market Analysis; Anti-Poverty Strategy
Kalamazoo Valley Habitat for Humanity	Housing; Services - Housing	Housing Need Assessment; Lead-based Paint Strategy; Economic Development; Market Analysis
Kalamazoo Gospel Mission	Services - Homeless	Housing Need Assessment; Homelessness Strategy; Homeless Needs - Chronically Homeless; Homeless Needs - Families with Children; Homelessness Needs - Veterans; Homelessness Needs - Unaccompanied Youth; Anti-poverty Strategy
Local Initiative Support Corporation	Housing; Services - Homeless	Housing Need Assessment; Homelessness Strategy; Homeless Needs - Chronically Homeless; Homeless Needs - Families with Children; Homelessness Needs - Veterans; Homelessness Needs - Unaccompanied Youth; Non-Homeless Special Needs; Economic Development; Market Analysis; Anti-poverty Strategy
Ministry With Communities	Services - Homeless	Housing Need Assessment; Lead-based Paint Strategy; Homelessness Strategy; Homeless Needs - Families with Children; Homelessness Needs - Veterans; Homelessness Needs - Unaccompanied Youth; Non-Homeless Special Needs; Market Analysis
Momentum	Services - Employment	Housing Needs Assessment; Market Analysis; Economic Development; Anti-Poverty Strategy
Integrated Services of Kalamazoo	Services – Homelessness; Housing	Housing Need Assessment; Homelessness Strategy; Homeless Needs - Chronically Homeless; Homeless Needs - Families with Children; Homelessness Needs - Veterans; Homeless Needs – Unaccompanied Youth

Agency/Group/Organization	Agency/Group/Organization Types	Section of Plan addressed by Consultation
Urban Alliance, Inc.	Housing; Services - Housing	Housing Need Assessment; Lead-based Paint Strategy; Economic Development; Market Analysis
Briefly describe how the Agencies/Groups/Organizations were consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?		
Consultation with these organizations is more sporadic but is important to the development of the priority needs in the Consolidated Plan. To support ongoing consultation and coordination, these organizations are encouraged to attend any community development meetings related to federal funding.		

Identify any Agency Types not Consulted and Rationale for not Consulting

The city did not intentionally limit consultation as part of this annual Action Plan.

Other Planning Efforts Considered when Preparing the Plan

In addition to the 2019-2024 Consolidated Plan, the City has a number of plans that are considered when making decisions regarding federal funding. These include the Imagine Kalamazoo Master Plan, Strategic Plan, and Neighborhood Plans. The guidance provided by these plans helps to focus funding on projects that support the larger community goals.

As previously stated, the Kalamazoo County Continuum of Care has a 10-year plan to end homelessness called “Open Doors.” This was a collaborative planning effort that included the City of Kalamazoo. Therefore, the goals and priorities of that plan related to ending homelessness have been incorporated into the 2019-2024 Consolidated Plan and therefore, this annual Action Plan.

Public Participation

Summary of Public Participation Process

The City of Kalamazoo followed its published Citizen Participation Plan in carrying out the process used to develop this PY2024 Action Plan. The City Commission opened a 30-day comment period to gather input from the community at large. The draft Action Plan was made available on the city’s website and at the Community Planning and Economic Development office throughout the comment period, which ran from February 25, 2024 through March 25, 2024. After the comment period, a public hearing was held at a Community Development Act Advisory Committee, which occurred on March 28, 2024, and then by the City Commission on May 13, 2024. The notices of the public comment period and public hearings were posted in the local newspaper, on the Community Development webpage, and emailed to a database of 62 organizations. In addition, the dates are emailed to all the applicants who submitted a request for funding for the 2024 program year. At the conclusion of the public process, the approved Action Plan is made available on the city’s website.

Each year's action plan process, as well as the ongoing monitoring of activities, is used as an opportunity to reach out to the city's nonprofit partners to understand changing needs. This less formal interaction combined with the more formal public hearings of the Action Plan helps to ensure the ongoing implementation of the goals of the 2019-2024 Consolidated Plan. The actions the city will carry out or support through implementation of the PY2024 Action Plan are a direct result of these discussions, and of the ideas and testimony the city received through its more formal public processes.

The public process to understand the needs of the community began during the development of the city's Imagine Kalamazoo Master Plan and Strategic Plan. The extensive public outreach that was accomplished for Imagine Kalamazoo was combined with the public process of the 2019-2024 Consolidated Plan. This allowed better coordination of the goals and priorities of both plans. Outreach for the Consolidated Plan included a community-based needs survey; meetings with the CDBG-eligible neighborhoods, community stakeholders, city partners, and non-profit organizations; and formal public hearings. The priorities outlined in the Consolidated Plan were based on the feedback received during this public process, as well as the evaluation of housing, homeless, special needs population, and other relevant community development data. Finally, additional engagement occurred through an Innovation Grant from the Government Alliance on Race and Equity from the Michigan Department of Civil Rights. Outreach was conducted to better understand the housing experiences of Kalamazoo residents, especially the experiences of residents of color.

Summary of Public Comments

The following public comments were provided during the public process:

1. Request that more opportunities be provided to organization assisting seniors.
2. Concern with duplicative services being provided by Community Homeworks and Milestone Senior Services. Recommended fully funding Community Homeworks, but having separate funds that would be specifically for seniors.
3. Not enough is being done for the 0-50 percent area median income in Kalamazoo. Investment should be on affordable housing and not downtown and street improvements. Action Plan does not fundamentally address the systemic issues in the city and high rent prices.

Summary of Comments or Views not Accepted

All comments were received and included in the plan.

Expected Resources

Introduction

The expected federal financial resources for this annual Action Plan are from the CDBG and HOME programs. The city anticipates approximately \$1,594,631 in CDBG and \$452,254 in HOME federal entitlement grants. The city and its subrecipients will also utilize approximately \$36,000 in anticipated CDBG program income and \$45,419.53 in unallocated funds from previous program years in PY2024. The complete available budget for PY2024 totals \$2,128,592.53. For the CDBG program, any dollar amount above or below this expected allocation will be applied to the Neighborhood Enhancement project. For the HOME program, all funds received will go towards affordable housing (minus the allowed percentage for city administration).

The Community Development Division will also report on other local, state, and federal resources expected to be used in ways consistent with the Consolidated Plan. This could include resources from other organizations, local nonprofits, and other agencies which address the housing and community development needs of the city and its residents.

PY2024 Budget

The table below outlines the complete budget for the federal resources planned in PY2024. The organization, activity, and funding are outlined to describe how low income households will be assisted.

Table 6: PY2024 Action Plan Budget - Sources and Uses

Organization	Activity Name	Funding Award
CDBG Entitlement Funds		
CDBG Administration¹		
City Community Development Division	CDBG Administration	\$318,000.00
CDBG Administration Total:		\$318,000.00
CDBG Public Service²		
Legal Aid of Western Michigan	Affirmatively Furthering Fair Housing Activity	\$20,000.00
Kalamazoo Friends of Recreation	Youth Recreational Assistance Fund	\$10,000.00
City Parks and Recreation Department	After School Youth Programs	\$15,000.00
City of Kalamazoo Public Safety	Crime Awareness and Prevention	\$150,000.00
CDBG Public Service Total:		\$195,000.00
CDBG All Other		
Community Homeworks	Critical Home Repair Program	\$170,000.00
Edison Neighborhood Association	812 Washington Rehabilitation	\$10,000.00



Kalamazoo Neighborhood Housing Services	Homeowner Roof Replacement Program	\$102,000.00
Milestone Senior Services	Home Repair for the Elderly	\$58,000.00
City Housing Inspection / Code Team	Code Enforcement	\$400,000.00
City Housing Inspection / Code Team	Demolition	\$50,000.00
City Community Development Division	Lead Based Paint Hazard Control Program	\$75,150.00
City Community Development Division	Neighborhood Enhancement: Revitalization Project	\$116,481.00
City CPED partnered with Community Homeworks ³	Code Enforcement Repair Program	\$100,000.00
CDBG All Other Total:		\$1,081,631.00
CDBG ENTITLEMENT:		\$1,594,631.00
CDBG Unallocated Funds⁴		
Program Year 2022 Unallocated Funds	Neighborhood Enhancement: Revitalization Project	\$26,748.72
Program Year 2023 Unallocated Funds	Neighborhood Enhancement: Revitalization Project	\$18,670.81
CDBG Unallocated Funds Total:		\$45,419.53
CDBG Program Income		
KNHS – Roof Repair	Roof Repair Program	\$36,000.00
CDBG Program Income Total:		\$36,000.00
CDBG TOTAL:		\$1,676,051.53
HOME Funds		
City Community Development Division	HOME Administration ⁵	\$45,254.00
City Community Development Division	Affordable Housing Program	\$407,288.00
HOME TOTAL:		\$452,542.00
ALL PROGRAMS TOTAL:		\$2,128,593.53

¹CDBG planning and administrative services are subject to a 20 percent cap.

²Public Service activities are subject to a 15 percent cap.

³HUD required program. City partners with Community Homeworks for implementation.

⁴Funds that became available from previously completed projects that did not expend full budgets.

⁵HOME administration is subject to a 10 percent cap.

Additional Funds and Required Match Dollars

To maximize our federal funding, additional resources are leveraged by the city, our subrecipients, and project partners to address the priority needs established in the Consolidated Plan. These leveraged funds come from sources such as the Michigan State Housing Development Authority; foundations like the Foundation for Excellence or Kalamazoo Community Foundation; or other private sources.

In PY2024, the city will continue to utilize federal dollars received through the Coronavirus Aid, Relief, and Economic Security Act (CARES) and the American Rescue Plan Act (ARPA). The 2020 CDBG-CV funds provided through CARES awarded \$1,441,519 to the city, which was allocated to homeless prevention, small business grants, senior support services, and rehabilitation of property. These dollars are almost expended and are expected to be fully exhausted in early 2024.

Additional HOME funding in the amount of \$1,881,648 was provided through ARPA, which will be used for supportive services and tenant based rental assistance for qualified populations. These populations include the homeless, those at risk of becoming homeless through housing instability, and persons fleeing domestic violence. The city has also assigned \$3.5 million of Treasury ARPA dollars to affordable housing activities over the next two years.

The city received a grant from the Office of Lead Hazard Control and Healthy Homes to assist with lead-based paint remediation in owner and renter-occupied single-family housing. A total of \$3,971,441 was approved in December of 2022 to remediate lead based paint and an additional \$696,000 Healthy Homes supplement for air quality remediation. This is a four-year grant that is expected to run through 2026.

The city will also leverage its general fund dollars with CDBG funds for public infrastructure projects in the CDBG-eligible neighborhoods, as well as supporting crime awareness, youth programming, and code enforcement. Subrecipients of the city are required to provide a 25 percent match on all awards and will leverage funding they receive through the state, as well as other private funding to expand their scope of assistance. Finally, many of the multi-unit affordable housing projects further leverage dollars through low-income housing tax credits administered by the state and payment in lieu of taxes through the city.

Many of the sources of leveraged dollars noted above can also be utilized as required match funding for the federal resources. Match requirements for the HOME program are often achieved through the donation of property, labor and materials, as well as payments in lieu of taxes for affordable housing developments in the city.

Expected Resources and Priorities

The table below consolidates the information provided in this section of the Action Plan into a concise review of funding sources, priorities for those sources, and expected allocations:

Table 7: Expected Resources - Priority Table

Source of Funds	Source	Use of Funds	Expected Amount	Expected remainder of Consolidated Plan
CDBG	Public - Federal	<ul style="list-style-type: none"> Administration and Planning Housing Public Improvements Public Services 	Annual Allocation: \$1,594,631 Program Income: \$36,000 Prior Year Resources: \$45,419.53 Total: \$1,676,050.53	Final year of 2019-2024 Consolidated Plan
<p>Narrative: CDBG funds will be leveraged with other federal grants, city general fund, and Foundation for Excellence dollars to support housing rehabilitation projects, public infrastructure investment, youth programming, and other city services. In addition, other state, federal, and local private funds will be leveraged by city subrecipients for housing and public service activities.</p>				
HOME	Public - Federal	<ul style="list-style-type: none"> Acquisition Administration Multifamily Rental New Construction Multifamily Rental Rehabilitation New Construction for Homeownership 	Annual Allocation: \$452,542 Program Income: \$0 Prior Year Resources: \$0 Total: \$452,542	Final year of 2019-2024 Consolidated Plan
<p>Narrative: HOME funds will be leveraged with additional HOME - ARPA funds and potential low-income housing tax credits, Foundation for Excellence dollars, as well as potential payment in lieu of taxes from the city depending on how the funding for the project is structured.</p>				
Other Sources:				
2020 CDBG-CV	Public - Federal	Response to Coronavirus: <ul style="list-style-type: none"> Acquisition Economic Development Public Services – Seniors Rapid Re-Housing (Rental Assistance) 	Prior Year Resource: \$1,441,519	\$0
2020 HOME - ARPA	Public - Federal	Response to Coronavirus: <ul style="list-style-type: none"> Supportive Services Tenant-Based Rental Assistance Administration 	Prior Year Resource: \$1,881,648	\$0
2022 Lead Hazard Control Grant	Public - Federal	Homeowner Rehabilitation	Prior Year Resource: \$3,971,441	\$0

Source of Funds	Source	Use of Funds	Expected Amount	Expected remainder of Consolidated Plan
2022 Healthy Homes	Public-Federal	Homeowner Rehabilitation	Prior Year Resource: \$696,000	\$0
Narrative: These funds are one-time resources that help leverage the CDBG and HOME grants received from HUD to increase performance outcomes of the federal dollars.				

Annual Goals and Objectives

Each annual Action Plan is intended to work towards the goals and accomplishments established in the 2019-2024 Consolidated Plan. Below is a review of the four goals, the needs that will be addressed this program year, and expected outcomes.

Table 8: Annual Goals

Goal:	Affordable Housing	
HUD Category:	Affordable housing	
Geographic Area:	CDBG-eligible census tracts	
	City-wide low-income households	
Priority Needs Addressed:	Rehabilitation of existing units	
	Production of new units	
	Public services	
	Administration of programs	
Funding:	CDBG - \$571,150	
	HOME - \$407,288	
Consolidated Plan Year:	2019-2024	
Annual Action Plan Year:	2024	
Outcome:	Affordability	
Objective:	Provide decent affordable housing	
Goal Outcome Indicator	Quantity	Units of Measure
Public service activity for low-income housing benefit	20	Households assisted
Rental units rehabilitated	2	Household housing unit
Homeowner housing rehabilitated	73	Household housing unit

Rental units constructed	10	Household housing unit
<p>Narrative: The development and availability of affordable housing for low income individuals and families are a primary focus of the City of Kalamazoo. The a portion of the city’s CDBG and the majority of HOME funding supports affordable housing activities.</p>		
Goal:	Neighborhood Enhancement	
HUD Category:	Non-housing community development	
Geographic Area:	CDBG-eligible census tracts	
Priority Needs Addressed:	Public improvements / infrastructure	
	Public services	
	Neighborhood improvements	
	Administration of programs	
Funding:	CDBG - \$761,900.53	
Consolidated Plan Year:	2019-2024	
Annual Action Plan Year:	2024	
Outcome:	Sustainability	
Objective:	Creating suitable living environments	
Goal Outcome Indicator	Quantity	Units of Measure
Public facility or infrastructure activities	1 project	Persons assisted
Public service activities other than housing benefit	Persons in CDBG-eligible census tracts	Persons assisted
Buildings demolished	3	Buildings
Housing code enforcement	1,500	Housing units
<p>Narrative: CDBG funds will be utilized within the city’s core neighborhoods to support community policing, code enforcement, and removal of blighted properties. In addition, CDBG funds will be spent in PY2024 on a bricks and mortar project that will enhance a specific neighborhood.</p>		
Goal:	Youth Development	
HUD Category:	Non-housing community development	
Geographic Area:	CDBG-eligible census tracts	
	City-wide low-income households	

Priority Needs Addressed:	Public services	
	Administration of programs	
Funding:	CDBG - \$25,000	
Consolidated Plan Year:	2019-2024	
Annual Action Plan Year:	2024	
Outcome:	Availability/accessibility	
Objective:	Create a suitable living environment	
Goal Outcome Indicator	Quantity	Units of Measure
Public service activity other than housing benefit	46	Persons assisted
Narrative: CDBG funds will be used for two different youth programs providing both educational and recreational support.		
Goal:	Homeless Assistance	
HUD Category:	Homeless	
	Affordable housing	
	Non-homeless special needs	
Geographic Area:	City-wide	
Priority Needs Addressed:	Homeless outreach	
	Administration of programs	
Funding:	HOME – ARPA - \$1,881,648	
Consolidated Plan Year:	2019-2024	
Annual Action Plan Year:	2024	
Outcome:	Availability/accessibility	
Objective:	Create suitable living environments	
Goal Outcome Indicator	Quantity	Units of Measure
Homeless prevention	30	Persons assisted
Narrative: No PY2024 dollars have been allocated to this goal. However, the city intends to utilize the available HOME-ARPA funds to provide supportive assistance and tenant based rental assistance to approximately 120 persons over the four-year life of the grant. In addition, while the city no longer receives Emergency Solution Grant funds directly from HUD, the Michigan State Housing Development Authority funds provide a benefit to the city through the Kalamazoo County Continuum of Care.		

PY2024 Projects

Introduction

To support the goals, objectives and priority needs of the 2019-2024 Consolidated Plan, the city utilizes internal departments, nonprofit partners, and for-profit housing providers to implement services and activities. As previously stated, an emphasis is placed on the development or preservation of affordable housing in the city. The following projects will be funded in PY2024 through the CDBG and HOME programs:

Table 9: PY2024 Projects

Number	Organization	Activity
1	City Community Development Division	CDBG Administration
2	Legal Aid of Western Michigan	Affirmatively Furthering Fair Housing Activity
3	Kalamazoo Friends of Recreation	Youth Recreational Assistance Fund
4	City Parks and Recreation	After School Youth Programs
5	City Public Safety	Crime Awareness and Prevention
6	Community Homeworks	Critical Home Repair Program
7	Edison Neighborhood Association	812 Washington Rehabilitation
8	Kalamazoo Neighborhood Housing Services	Homeowner Roof Replacement Program
9	Milestone Senior Services	Home Repair for the Elderly
10	City Housing Inspection / Code Team	Code Enforcement
11	City Housing Inspection / Code Team	Demolition
12	City Community Development Division	Lead Based Paint Hazard Control Program
13	City Community Development Division	Neighborhood Enhancement: Revitalization Project
14	City CPED in partnership with Community Homeworks	Code Enforcement Repair Program
15	City Community Development Division	HOME Administration
16	City Community Development Division	Affordable Housing Program

Each individual project and their performance outcomes are outlined on the following pages:

Projects

1	Recipient	City of Kalamazoo Community Development Division
	Activity Name	CDBG Administration
	Project Description	The Community Development Division will manage the CDBG grant.
	Funding	CDBG - \$318,000
	Consolidated Plan Annual Goals Supported	Affordable Housing Homeless Assistance Neighborhood Enhancement Youth Development
	Target Areas	City-wide low-income households
	Target Date of Completion	06/30/2025
	Location Description	245 North Rose Street, Suite 100, Kalamazoo, MI 49007
	HUD Priority Needs Addressed	Administration of Programs
	Planned Activities	The Community Development Division will utilize available entitlement funding under the 20 percent administration cap for the management, monitoring, and coordination of subrecipients.
	Performance Outcomes	16 activities will be managed in PY2024, as well as approximately 17 ongoing activities from previous program years.
2	Recipient	Legal Aid of Western Michigan
	Project Name	Affirmatively Furthering Fair Housing Activity
	Project Description	Legal Aid of Western Michigan will provide legal assistance to low-income persons experiencing discriminatory housing concerns.
	Funding	CDBG - \$20,000
	Consolidated Plan Annual Goals Supported	Affordable Housing
	Target Areas	City-wide with emphasis in CDBG-eligible Census tracts, 1.00 (Eastside), 2.02 and 3.00 (Northside), 5.00 (Douglas/Stuart), 6.00 (Vine), 9.00 and 10.00 (Edison), and 11.00 (Edison)
	Target Date of Completion	06/30/2025
	Location Description	141 East Michigan Ave, Suite 400, Kalamazoo, MI 49007

	HUD Priority Needs Addressed	Public Services
	Planned Activities	Legal Aid will assist clients in resolving legal problems related to rental housing or homeownership, securing clear title to their home or clear possessory interest by land contract, arranging for payment of back taxes or delinquent house payments, relief regarding disagreements with contractors, remedies for housing related warranty problems, avoiding defaults in house payments, and informing clients of their rights under the laws related to all aspects of housing.
	Performance Outcomes	20 clients will receive housing assistance.
3	Subrecipient	Kalamazoo Friends of Recreation
	Project Name	Youth Recreational Assistance Fund
	Project Description	The Youth Recreation Financial Assistance program supplements the cost of a recreation programs by 75 percent and up to a total of \$600/year per youth, extending the opportunity for a single child to participate in multiple programs throughout the year.
	Funding	CDBG - \$10,000
	Consolidated Plan Annual Goals Supported	Youth Development
	Target Areas	CDBG-eligible Census tracts 1.00 (Eastside), 2.02 and 3.00 (Northside), 5.00 (Douglas/Stuart), 6.00 (Vine), 9.00 and 10.00 (Edison), and 11.00 (Edison)
	Target Date of Completion	06/30/2025
	Location Description	251 Mills St., Kalamazoo, MI 49048
	HUD Priority Needs Addressed	Public Services
	Planned Activities	Financial assistance for a wide range of developmental recreation programs such as summer camps, field trips, summer transition programs for experiential learning, art programs, sports mini-camps, aquatic programs, virtual learning, etc.
Performance Outcomes	16 or more children receive recreational financial assistance.	
4	Recipient	City of Kalamazoo Parks and Recreation Department
	Project Name	After School Youth Programs
	Project Description	After School Programs provide a place for youth to complete their homework, reading, or other schoolwork following the school day.
	Funding	CDBG - \$15,000

	Consolidated Plan Annual Goals Supported	Youth Development
	Target Areas	CDBG-eligible Census tracts, with specific emphasis on 1.00 (Eastside), 2.02 and 3.00 (Northside), 5.00 (Douglas/Stuart), 6.00 (Vine), 9.00 and 10.00 (Edison), and 11.00 (Edison)
	Target Date of Completion	06/30/2025
	Location Description	230 East Crosstown Parkway, Kalamazoo, MI 49001
	HUD Priority Needs Addressed	Public Services
	Planned Activities	Children will receive tutoring assistance and then educational games, computers, and more activities are available once schoolwork is completed.
	Performance Outcomes	A minimum of 30 children will be supported.
5	Recipient	City of Kalamazoo Public Safety Department
	Project Name	Crime Awareness and Prevention
	Project Description	The Public Safety Department will use CDBG funds to support Community Police Officers in the Community Affairs Division for community outreach related to crime awareness and prevention activities in the CDBG-eligible neighborhoods.
	Funding	CDBG - \$150,000
	Consolidated Plan Annual Goals Supported	Neighborhood Enhancement
	Target Areas	CDBG-eligible Census tracts, with specific emphasis on 1.00 (Eastside), 2.02 and 3.00 (Northside), 5.00 (Douglas/Stuart), 6.00 (Vine), 9.00 and 10.00 (Edison), and 11.00 (Edison)
	Target Date of Completion	06/30/2025
	Location Description	150 East Crosstown Parkway, Suite A, Kalamazoo, MI 49001
	HUD Priority Needs Addressed	Public Services

	Planned Activities	<p>The Community Policing Unit partners with the Community Service Team, Social Services Coordinator, Community Collaborator and Pastors on Patrol to build trust within our community and create a safer environment for those living and working in our core neighborhoods. The three divisional priorities of the Office of Community Affairs are:</p> <ul style="list-style-type: none"> • Collaboration - Focus on internal and external collaboration to proactively and reactively problem solve. • Education - Focus on service delivery and problem-solving through public education. • Outreach - Focus on creating, promoting, and sustaining engagement opportunities with the community to build trust and increase transparency/legitimacy.
	Performance Outcomes	The Officers will attend monthly neighborhood association meetings, neighborhood watch meetings, and other community events. They will be involved within the neighborhoods on an array of topics, mostly geared toward crime prevention and personal safety awareness.
6	Subrecipient	Community Homeworks
	Project Name	Critical Home Repair
	Project Description	Community Homeworks will provide critical and other needed repairs to single-family owner-occupied homes.
	Funding	CDBG - \$170,000
	Consolidated Plan Annual Goals Supported	Affordable Housing
	Target Areas	CDBG-eligible Census tracts 1.00 (Eastside), 2.02 and 3.00 (Northside), 5.00 (Douglas/Stuart), 6.00 (Vine), 9.00 and 10.00 (Edison), and 11.00 (Edison)
	Target Date of Completion	06/30/2025
	Location Description	810 Bryant Street, Kalamazoo, MI 49001
	HUD Priority Needs Addressed	Rehabilitation of Existing Units
	Planned Activities	Provide critical and minor repairs to stabilize and improve the physical environment of the home to protect health and safety.
	Performance Outcomes	A total of 30 homes owned by low income families will be assisted.
7	Subrecipient	Edison Neighborhood Association
	Project Name	812 Washington Rehabilitation
	Project Description	Edison will utilize CDBG funds to finish the rehabilitation of 812 Washington.
	Funding	CDBG - \$10,000

	Consolidated Plan Annual Goals Supported	Affordable Housing
	Target Areas	Edison Neighborhood
	Target Date of Completion	06/30/2025
	Location Description	810 Bryant Street, Kalamazoo, MI 49001
	HUD Priority Needs Addressed	Rehabilitation of Existing Units
	Planned Activities	Install mini-split air conditioners in each unit and blown insulation in exterior walls.
	Performance Outcomes	A total of 2 updated apartment units and retail space for neighborhood uses.
8	Subrecipient	Kalamazoo Neighborhood Housing Services
	Project Name	Homeowner Roof Replacement Program
	Project Description	Kalamazoo Neighborhood Housing Services will repair or replace roofs for low-income owner-occupied households.
	Funding	CDBG - \$102,000, Program Income - \$36,000
	Consolidated Plan Annual Goals Supported	Affordable Housing
	Target Areas	CDBG-eligible Census tracts 1.00 (Eastside), 2.02 and 3.00 (Northside), 5.00 (Douglas/Stuart), 6.00 (Vine), 9.00 and 10.00 (Edison), and 11.00 (Edison)
	Target Date of Completion	06/30/2025
	Location Description	1219 South Park Street, Kalamazoo, MI 49001
	HUD Priority Needs Addressed	Rehabilitation of Existing Units
	Planned Activities	Grants and low-interest rate loans, depending on income level, will be provided for replacement costs.
Performance Outcomes	A total of eight low-income owner-occupied households will be assisted.	
9	Subrecipient	Milestone Senior Services
	Project Name	Home Repair for the Elderly
	Project Description	Milestone Senior Services will provide home repair for owner-occupied senior households to allow the senior to age in place.

	Funding	CDBG - \$58,000
	Consolidated Plan Annual Goals Supported	Affordable Housing
	Target Areas	CDBG-eligible Census tracts 1.00 (Eastside), 2.02 and 3.00 (Northside), 5.00 (Douglas/Stuart), 6.00 (Vine), 9.00 and 10.00 (Edison), and 11.00 (Edison)
	Target Date of Completion	06/30/2025
	Location Description	918 Jasper Street, Kalamazoo, MI 49001
	HUD Priority Needs Addressed	Rehabilitation of Existing Units
	Planned Activities	Minor home repairs and barrier free renovations to ensure suitable living environment through improved/increased accessibility may be included.
	Performance Outcomes	A total of 15 low-income owner-occupied senior households will be assisted.
10	Recipient	City of Kalamazoo Housing Inspection / Code Enforcement Team
	Project Name	Code Enforcement
	Project Description	The Housing Inspection and Code Enforcement team of the Community Planning and Economic Development Department will work in the CDBG-eligible Census tracts to reduce slum and blight.
	Funding	CDBG - \$400,000
	Consolidated Plan Annual Goals Supported	Neighborhood Enhancement
	Target Areas	CDBG-eligible Census tracts 1.00 (Eastside), 2.02 and 3.00 (Northside), 5.00 (Douglas/Stuart), 6.00 (Vine), 9.00 and 10.00 (Edison), and 11.00 (Edison)
	Target Date of Completion	06/30/2025
	Location Description	245 North Rose Street, Suite 100, Kalamazoo, MI 49007
	HUD Priority Needs Addressed	Neighborhood Improvement

	Planned Activities	The Housing Inspection and Code Enforcement team will contribute to the quality of housing and the aesthetics of neighborhoods through their enforcement efforts in those portions of the CDBG-eligible Census tracts designated as enforcement areas. The team will manage the following types of activities: abandoned residential structures; secure and board structures open to casual entry; condemn structures; zoning violations; trash and weeds; issue graffiti violations, and general blight.
	Performance Outcomes	The program anticipates that it will issue 1,500 Housing Code violations affecting owner-occupied and rental housing units.
11	Recipient	City of Kalamazoo Housing Inspection / Code Enforcement Team
	Project Name	Demolition
	Project Description	The Housing Inspection and Code Enforcement team will identify structures that are a detriment to public health and safety and then will follow the appropriate steps to have the dangerous buildings demolished.
	Funding	CDBG - \$50,000
	Consolidated Plan Annual Goals Supported	Neighborhood Enhancement
	Target Areas	CDBG-eligible Census tracts 1.00 (Eastside), 2.02 and 3.00 (Northside), 5.00 (Douglas/Stuart), 6.00 (Vine), 9.00 and 10.00 (Edison), and 11.00 (Edison)
	Target Date of Completion	06/30/2025
	Location Description	245 North Rose Street, Suite 100, Kalamazoo, MI 49007
	HUD Priority Needs Addressed	Neighborhood Improvement
	Planned Activities	The city's Housing Inspection and Code Enforcement team will identify and demolish dangerous buildings within the CDBG-eligible Census tracts.
	Performance Outcomes	Three buildings will be demolished.
12	Recipient	City of Kalamazoo Community Development Division
	Project Name	Lead-Based Paint Hazard Control
	Project Description	The Community Development Division will leverage CDBG funds with the Health Homes lead grant to remediate lead-based paint from owner-occupied homes owned by low-income families, with an emphasis on households with children under the age of six.
	Funding	CDBG - \$75,150
	Consolidated Plan Annual Goals Supported	Affordable Housing

	Target Areas	City-wide, with an emphasis in the CDBG-eligible Census tracts 1.00 (Eastside), 2.02 and 3.00 (Northside), 5.00 (Douglas/Stuart), 6.00 (Vine), 9.00 and 10.00 (Edison), and 11.00 (Edison)
	Target Date of Completion	06/30/2025
	Location Description	245 North Rose Street, Suite 100, Kalamazoo, MI 49007
	HUD Priority Needs Addressed	Rehabilitation of Existing Units
	Planned Activities	The City of Kalamazoo, in partnership with Kalamazoo Neighborhood Housing Services, Inc. will use this match funding to mitigate and/or abate lead-based paint. Approximately five homes are expected to be remediated with CDBG funding.
	Performance Outcomes	Approximately five homes will receive lead-based paint remediation support with these match dollars.
13	Recipient	City of Kalamazoo Community Development Division
	Project Name	Neighborhood Enhancement – Revitalization Project
	Project Description	The Community Development Division will work with Public Services, Parks and Recreation, or the CDBG-eligible neighborhood associations to provide public infrastructure or facility improvement(s) that will be an area-wide benefit to the neighborhood.
	Funding	CDBG - \$116,481, CDBG Unallocated - \$45,419.53
	Consolidated Plan Annual Goals Supported	Neighborhood Enhancement
	Target Areas	CDBG-eligible Census tracts 1.00 (Eastside), 2.02 and 3.00 (Northside), 5.00 (Douglas/Stuart), 6.00 (Vine), 9.00 and 10.00 (Edison), and 11.00 (Edison)
	Target Date of Completion	06/30/2025
	Location Description	245 North Rose Street, Suite 100, Kalamazoo, MI 49007
	HUD Priority Needs Addressed	Neighborhood Improvements
	Planned Activities	The planned activity will be a public improvement, but the specific activity is still to be determined.
	Performance Outcomes	An area-wide benefit will be provided to the residents of a CDBG-eligible neighborhood.

14	Subrecipient	City Community Planning and Economic Development in partnership with Community Homeworks
	Project Name	Code Enforcement Repair Program
	Project Description	Community Homeworks will support the City with a required HUD program that provides repair to single-family owner-occupied homes who were referred because of a code enforcement violation notice.
	Funding	CDBG - \$100,000
	Consolidated Plan Annual Goals Supported	Affordable Housing
	Target Areas	CDBG-eligible Census tracts 1.00 (Eastside), 2.02 and 3.00 (Northside), 5.00 (Douglas/Stuart), 6.00 (Vine), 9.00 and 10.00 (Edison), and 11.00 (Edison)
	Target Date of Completion	06/30/2025
	Location Description	810 Bryant Street, Kalamazoo, MI 49001
	HUD Priority Needs Addressed	Rehabilitation of Existing Units
	Planned Activities	Provide code enforcement repairs to stabilize and improve the physical environment of the home to protect health and safety.
	Performance Outcomes	A total of 15 homes owned by low income families will be assisted.
15	Recipient	City of Kalamazoo Community Development Division
	Project Name	HOME Administration
	Project Description	The Community Development Division will manage the HOME grant.
	Funding	HOME - \$45,254
	Consolidated Plan Annual Goals Supported	Affordable Housing
	Target Areas	City-wide low-income households
	Target Date of Completion	06/30/2025
	Location Description	245 North Rose Street, Suite 100, Kalamazoo, MI 49007
	HUD Priority Needs Addressed	Administration of Programs

	Planned Activities	The Community Development Division will utilize available entitlement funding under the 10 percent administration cap for the management, monitoring, and coordination of subrecipients.
	Performance Outcomes	PY2024 activities will be managed, as well as five ongoing activities from previous program years and annual monitoring of projects within affordability periods.
18	Recipient	City of Kalamazoo Community Development Division
	Project Name	Affordable Housing Program
	Project Description	The Community Development Division will work with local housing developers, CDAAC, and the City Commission to identify and approve potential projects that will provide new affordable housing units.
	Funding	HOME - \$407,288
	Consolidated Plan Annual Goals Supported	Affordable Housing
	Target Areas	City-wide, with an emphasis in the CDBG-eligible Census tracts 1.00 (Eastside), 2.02 and 3.00 (Northside), 5.00 (Douglas/Stuart), 6.00 (Vine), 9.00 and 10.00 (Edison), and 11.00 (Edison)
	Target Date of Completion	06/30/2027
	Location Description	245 North Rose Street, Suite 100, Kalamazoo, MI 49007
	HUD Priority Needs Addressed	Production of New Units
	Planned Activities	HOME funds will be held in reserve under the Affordable Housing Program to provide funding for potential affordable housing units.
	Performance Outcomes	10 new units.

Reasons for Allocation Priorities and Obstacles to Addressing Underserved Needs

There are several reasons for the allocation priorities of the PY2024 Action Plan. The first is a result of the extensive outreach that was conducted as part of the development of the 2019-2024 Consolidated Plan, as well as the public input from Imagine Kalamazoo 2025. This outreach was evaluated against the economic and demographic data collected for the Consolidated Plan; the realities the city must consider when determining priorities like yearly budgets, staff capacity, etc.; and the priorities of other funders in the community. Based on this evaluation, a set of priorities were established, and these priorities were vetted by the Community Development Act Advisory Committee and adopted by the City Commission as part of the 2019-2024 Consolidated Plan.

COVID-19 continues to be an obstacle impacting the city and its subrecipients' ability to address the needs of the underserved. The increased cost of construction materials and services, as well as supply chain issues and labor shortages have impacted city nonprofit partners who work to serve the low income individuals and families in Kalamazoo. According to the Gordian, a construction cost data tracking firm, 82.5 percent of construction materials experienced a significant cost increase since 2020, with an average jump of 19 percent. In 2023, wood increased 16 percent, steel increased 22 percent, concrete and masonry increased 15 percent, to name just a few. Grant funding has remained relatively steady during this same period, which reduces the number of new and rehabilitated affordable housing units that can be achieved with these dollars.

The amount of affordable housing continues to be a concern in the city. HUD's most recent Comprehensive Housing Affordability Strategy (CHAS), evaluated 29,210 renter and owner occupied households in Kalamazoo and found that 17,345 (59 percent) have a housing cost burden greater than 30 percent of their income. Of course, those making 80 percent or less of the area median income are impacted more significantly with housing costs. Of the 16,345 renters examined, 12,300 households (75 percent) making 80 percent or less of the area median income pay more than 30 percent of their income on housing. For homeowners, this number decreases to 5,045 households (39 percent) of the 12,865 households examined.

The need for permanent affordable supportive housing continues to be a concern for persons experiencing homelessness and other special needs populations. The gap between the number of affordable units and those in need continues to be significant for the city and the region. The development of new affordable housing, particularly with supportive services, is a goal of the Continuum of Care. Partnerships with the City of Kalamazoo, local nonprofit housing providers, and Michigan State Housing Development Authority are needed to address the affordable housing shortage. The city will continue to invest in affordable housing through the CDBG and HOME grant programs.

Providing services, particularly housing, to the chronically homeless is an ongoing challenge in Kalamazoo. The small number of people with complex, unmet needs who experience homelessness are frequent users of shelters and emergency health care. They often have long histories of homelessness and untreated, or poorly managed, mental illnesses and addictions. Their recurrent stays in county or city jails, shelters, hospitals, etc., result in extraordinarily high costs in multiple public systems, but fail to improve the outcomes for the individuals. The Kalamazoo County Continuum of Care works to address these obstacles through their work groups, particularly the System of Care Team, to address the needs and barriers of the homeless population and those who may become homeless.

Geographic Distribution

Description of the Geographic Areas

The investment of HOME dollars will occur city-wide. As HOME is almost exclusively used for the development of new affordable housing, a city-wide approach allows affordable housing to be distributed more consistently throughout the community. This helps to prevent concentrations of poverty within one neighborhood. The City of Kalamazoo has chosen to focus CDBG funds where at least 51 percent of the residents are considered low income by HUD. These core neighborhoods and Census tracts are:

Table 10: CDBG Eligible Neighborhoods

Census Tract	Neighborhood
1.00	Eastside
2.01	Central Business District
2.02	Northside
3.00	Northside
5.00	Douglas/Stuart
6.00	Vine
9.00	Edison
10.00	Edison
11.00	Edison

The following table provides the percentage distribution of the location of projects that are being funded with PY2024 grant dollars. The city’s policy to focus in the core neighborhoods is clearly shown in this distribution. Those projects that are noted as city-wide include CDBG administration, legal aid for housing concerns, and the lead based paint program.

Table 11: Geographic Distribution – Percentage of Funds in Target Area

Target Area	Percentage of Funds
City-wide low-income households	24.6%
CDBG-eligible Census tracts in core neighborhoods	75.4%

Rationale for Allocating Investments Geographically

There are several reasons for focusing CDBG funding within the Census tracts and neighborhoods noted in Table 10. Socioeconomic data shows large percentages of the population residing in these neighborhoods are considered low income by HUD, as seen in the following table:

Table 12: Percent in Low Income and in Poverty by Census Tract

Census Tract	Neighborhood	Percent Low Income ¹	Percent Below Poverty Level ²
1.00	Eastside	82.68%	38.8%
2.01	Central Business District	76.10%	45.7%
2.02	Northside	75.48%	36.6%
3.00	Northside	78.72%	40.7%
5.00	Douglas/Stuart	69.19%	40.3%
6.00	Vine	84.83%	39.4%
9.00	Edison	82.51%	32.7%
10.00	Edison	72.53%	25.3%
11.00	Edison	61.04%	20.1%
Average for All Tracts:		75.90%	35.1%

¹Low Income Population by Tract (making 80 percent or less area median income), Department of Housing and Urban Development, HUD GIS; ²2021 American Community Survey 5-Year Estimates, U.S. Census Bureau

According to HUD, 62.86 percent of city residents make 80 percent or less the area median income for the Kalamazoo/Portage metropolitan statistical area. This is 13 percentage points less than the average of core neighborhood Census tracts. In addition to the higher concentrations of low income persons, these Census tracts also have a higher percentage of persons living in poverty. Approximately 24.9 percent of individuals residing in the City of Kalamazoo are living in poverty, while 35.1 percent of the core neighborhood population is designated as living below the poverty level.

Finally, the core neighborhoods also have much older housing stock. Over 90 percent of the homes in Census tracts 2.02 (Northside), 6.00 (Vine), and 9.00 (Edison) were built before 1979, which raises the risk of lead-based paint. In addition, the 2021 American Community Survey 5-Year Estimate shows that approximately 55.6 percent of the homes found in all CDBG eligible census tracts were built prior to 1939. The advanced age of the housing stock indicates a need for continued maintenance, lead-based paint removal, weatherization, and energy efficiency upgrades.

Affordable Housing

Introduction

Since the approval of the 2019-2024 Consolidated Plan, housing costs continue to rise. The fair market rents posted by HUD for the Kalamazoo-Portage Metropolitan Statistical Area for a two-bedroom unit in 2019 was \$795, which increased to \$1,057 in 2024. This is an increase of \$262 or a 33 percent increase in five years. To assist with the growth of new affordable housing, the city will utilize CDBG and HOME funds for the development and rehabilitation of multi-family housing for rental and rehabilitation of existing units for either new tenants or so homeowners can maintain their homes.

The following tables outline the Action Plan one-year goals for affordable housing utilizing PY2024 CDBG and HOME grants:

Table 13: Number of Households Supported

Population	Assisted
Homeless	0
Non-Homeless	70
Special Needs	15
Total:	85

Table 14: Affordable Housing by Type

Type of Support	Number of Units
Rental Assistance	0
Production of New Units	10
Rehabilitation of Existing Units	75
Acquisition of Existing Units	0
Total:	85

Discussion

While the city does not plan to use CDBG or HOME entitlement funding specifically for the development of housing for the homeless, the HOME- ARPA grant will provide rental assistance to approximately 120 homeless individuals over the life of the grant, which equates to approximately 30 persons each year.

Public Housing

The City of Kalamazoo does not own or manage any public housing. However, Kalamazoo County has a Public Housing Commission that helps residents gain access to affordable housing. The City of Kalamazoo will continue to be supportive of the Public Housing Commission’s expansion of services, and views a partnership with the Commission as an important step in addressing the local issue of "fair share housing." Through this policy, affordable housing is available throughout the County, and not just concentrated within the City of Kalamazoo.

As the Kalamazoo County Public Housing Commission does not oversee any public housing facilities, the public housing agency is not designated as “troubled.”

Homeless and Other Special Needs Activities

Introduction

The City of Kalamazoo has not received Emergency Solution Grant funds for several years. However, addressing homelessness and other special needs populations continues to be a goal of the Consolidated Plan. During the public outreach process, the city reconfirmed that homelessness is still a major issue the community faces. For this reason, the city continues to be active with the Kalamazoo County Continuum

of Care who ensures coordinated efforts to help the homeless population. CDBG funds support activities that benefit low-income persons for the prevention of homelessness, as well as addressing homeowners with special needs. In addition, the city will give priority funding to affordable housing projects that provide housing units to homeless persons or those of very low-income who may be in danger of becoming homeless.

PY2024 Goals and Action for Reducing and Ending Homelessness

The City of Kalamazoo will continue to support the Kalamazoo County Continuum of Care and the service providers working with this organization. The Continuum of Care receives a Michigan State Housing Development Authority Emergency Solution Grant, which is intended for homeless prevention in Kalamazoo County. The funding strengthens the supportive services provided to those experiencing or are in danger of experiencing homelessness. The following activities are funded:

- Street outreach
- Rapid re-housing
- Homeless prevention
- Emergency shelters

Street outreach is conducted to try and understand individual needs related to mental health, substance abuse, and housing. Ultimately, the outreach is to provide homeless individuals with the services they need and to help them find permanent and supportive housing. As stated previously, the Kalamazoo County Continuum of Care convenes an Outreach Coordination Workgroup that is an interagency collaboration of service providers conducting street outreach. Households are referred to the coordinated entry process and strategies are developed to address household needs.

The Continuum of Care also applies each year to the HUD Continuum of Care Program Competition. This funding source is designed to promote a community-wide commitment to the goal of ending homelessness. Agencies can apply for funding for transitional housing, rapid-rehousing, permanent supportive housing, and coordinated entry projects. The process begins with a local funding competition where projects are prioritized for the application to HUD. The amount of funding received is determined by performance on a Collaborative Application submitted by the Continuum of Care. Permanent supportive housing is typically the priority of this application process.

The Continuum of Care also provides a Mini Grant to homeless providers that is a low-barrier local funding stream available to all members and partnering organizations. The Mini Grant helps to address housing system gaps and support individuals and families in Kalamazoo County experiencing housing crisis. Examples of past Mini Grants include hoteling; tents, sleeping bags, and tarps; bus tokens and other transportation; food and phone cards. The Mini Grants are made possible by generous funders including the Stryker Johnston Foundation and City of Kalamazoo's Foundation for Excellence.

Emergency Shelter and Transitional Housing Needs

Gryphon Place, which is a nonprofit organization that helps people navigate conflict and crises, is the local 2-1-1 provider for Kalamazoo County. This is a 24-hour information and referral service, which connects

people to a variety of resources, including housing. Individuals are matched with the available housing resources that best meets their needs. Persons with greatest need are referred to Housing Resources, Inc., who are the Housing Assessment and Resource Agency (HARA) for the city. A HARA provides centralized intake and housing assessment, helping to ensure a comprehensive and community-wide housing delivery approach. HARAs also practice shelter diversion and work to rapidly re-house those who are homeless. People with an urgent need are referred to area emergency shelters where a housing plan is developed in consultation with the HARA.

The housing plan utilizes the HMIS and prioritizes strength-based case management principles. Resources are provided based on need and may include case coordination, financial assistance, landlord/tenant education/engagement, linkage to community partner resources, and referrals to mainstream service providers. Emergency shelter services, with the goal of rapid re-housing, are provided to homeless households. These services include a shelter diversion assessment, shelter entry with the goal of rapid exit, financial assistance in the form of rental subsidy, and tenant-landlord engagement. Emergency shelters with rapid re-housing services have the goal of achieving sustainable permanent affordable housing.

The following emergency shelters are available to the homeless population in Kalamazoo:

- Kalamazoo Gospel Mission – serves single men, women, and families.
- Oakland House – hard to serve homeless, priority given to mental health clients and those referred by other agencies.
- Next Door – serves those who identify as single women.
- Open Door – serves those who identify as single men.
- YWCA – victims of domestic assault and their children.
- The Ark – youth between the ages of 10 and 22.

Helping Homeless Persons Make the Transition to Permanent Housing and Independent Living

Rapid re-housing is one of the most important strategies for moving persons and families quickly out of homelessness. Housing Resources, Inc., utilizing funding from the Continuum of Care, help approximately 70 households annually to rapidly re-house. Providing this permanent housing through cash assistance and housing subsidies offers relative stability so the household can focus on other concerns that may have contributed to the homelessness.

In addition, there are currently over 1,100 Housing Choice vouchers being utilized to help alleviate homelessness in the city. The Housing Choice voucher program is a federal program managed through the Michigan State Housing Development Authority that provides rental subsidies for very low-income individuals and families. Families who are provided the voucher may find their own housing in private homes or apartment complexes. The Continuum of Care was recently informed that an additional 1,000 new vouchers would be issued to persons and families on the current waiting list.

Additional resources focused on moving from homelessness to permanent housing include:

- Integrated Services of Kalamazoo Housing Recovery Center assists individuals with finding and maintaining affordable housing. The Housing Recovery Center provides a broad array of housing related services focused on individuals with a mental health and/or substance use issues.
- Housing Resources, Inc Housing Stabilization program, which provides post-shelter support to families that had previously experienced homelessness. With the use of rental subsidies, financial pressures are reduced allowing the participants to access more supportive services like financial/household management, employment referrals, housing plans, and other follow-up services.
- Catholic Charities Diocese of Kalamazoo The Ark shelter assists youth and their families become more stable through identifying healthy lifestyle behaviors and developing positive decision-making skills with the hope of ending homelessness.
- Open Doors Residence Community offers private apartments for low wage working individuals and families priced out of the housing market. Residents of the Open Doors homeless shelters often transition from the shelter home to an apartment within the Residence Community. Residents pay a monthly program fee which covers housing and additional personal support and assistance from Open Doors staff.
- Legacy House managed by OutFront Kalamazoo offers transitional housing for LGBTQ+ adults ages 18-24 who are experiencing homelessness. Legacy House provides residents with services, resources, and skill-building to facilitate healthy, sustainable, and holistic transitions into independent living.
- Kalamazoo County Continuum of Care RentAble program provides funding for security deposits that help reduce the high cost of moving into a rental unit, providing support in securing affordable stable housing while reducing the risk to landlords renting to tenants with barriers to housing.

Helping Low Income Individuals and Families Avoid Becoming Homeless (especially those being discharged from publicly funded institutions and systems of care)

Many of the housing activities supported by the CDBG and HOME programs help to ensure low-income individuals and families avoid becoming homeless. The home repair programs, particularly emergency home repairs help to ensure families, including the city's senior population, may remain in their homes. In addition, the new affordable housing units planned with PY2024 funds provide opportunities that low-income families may not otherwise have.

Housing Resources, Inc. has a housing stabilization program for renters facing short term crises. Their program includes:

- Supportive services to address the barriers creating their housing crisis. Specifically, collaborations with community agencies in order to encourage self-sufficiency by providing:
 - Financial/Household Management
 - Employment Referrals

- Education/Training
- Transportation
- Agency Referrals and Collaboration
- Rent subsidies based on funding availability.
- Establishment of individual goal plans and family success plans to prepare and maintain affordable housing of their own.
- Permanent housing placement assistance.

When considering those that are being discharged from a public institution or other system of care, housing is paramount to ensure stability to re-enter society. There are strong guidelines about discharge from the state hospitals and from the mental health unit at Borgess Hospital. Kalamazoo Integrated Services employ hospital liaisons to work with individuals prior to release to create a "person-centered plan" which includes next steps after discharge. They also fund a jail liaison position to connect people in jail with appropriate mainstream and Medicaid funded mental health services.

The following outlines the discharge guidelines for some public institutions or systems of care:

Foster Care: Local foster care providers are required to adhere to Michigan's laws, policies, and procedures applicable to adult and child foster care placement and discharge. Young adults (ages 18-21) transitioning out of foster care to independent living are assisted in finding suitable and sustainable living arrangements. They may be provided first month's rent, security/utility deposit, and monies to purchase household goods, food, and supplies. Discharge is guided by a needs assessment and the information collected in an individual service plan.

Health Care: Discharge assessment, planning, and follow-up procedures are managed by providing a multi-disciplinary team approach to patients with post-hospital needs. Discharge planning is the vehicle which moves the patient to the proper level of post-hospital care and/or to the proper facility.

Mental Health: Integrated Services of Kalamazoo follows the dictates of Section 330.1209b of the Mental Health Code which states that, "the community mental health services program will produce in writing a plan for community placement and aftercare services that is sufficient to meet the needs of the individual."

Veterans: The regional Veteran's Administration follows a set of discharge criteria when releasing patients into the community. Social workers and case managers assess and work with the patients who are homeless to find them emergency shelter, homeless housing, and/or other supportive services to assure suitable placement is achieved after discharge. The regional Veteran's Administration serves up to 14,000 veterans per year, half of whom are from the Kalamazoo County area.

The discharge procedures noted above often receive rental assistance from local providers like Housing Resources, Inc. and Catholic Charities Diocese of Kalamazoo to ensure housing stability when leaving an institutional setting.

Additional Information

The Kalamazoo County Continuum of Care conducts an annual 24-hour point-in-time count of those who are experiencing homelessness in our community. This count is intended to provide a snapshot of Kalamazoo County's homeless population. It is one way to collectively understand the scope and breadth of homelessness in our community. The count is an important effort that ensures the voices of people experiencing homelessness are heard and efforts are made to provide appropriate services. It also helps the Continuum of Care develop more effective plans and measure progress toward ending homelessness.

During the COVID-19 pandemic, onsite point-in-time counts were suspended, and instead information was collected from HMIS. While still an effective tool, it did not allow for direct interaction with the homeless population. A modified count was conducted in 2022 because of the surge in the Omicron COVID-19 variant. A sampling approach was completed to limit the geographical area canvassed. This approach is in line with HUD's methodology guidance and recommendations. For 2022, there were 318 persons in emergency shelters, 46 in transitional shelters, and 124 unsheltered homeless, for a total of 488 persons. True onsite point-in-time counts will resume when health and safety allow.

Barriers to Affordable Housing

Introduction

Barriers to affordable housing are varied and complex, such as rising costs of construction, housing costs rising faster than incomes, public "not in my back yard" NIMBYism, and auto-dependence between housing and employment. In addition, public policies related to zoning ordinances and building codes may be barriers to the development of affordable housing. Social issues like poverty and lack of employment, and outside forces like reductions in federal and state funding to develop new housing also present a barrier.

The following are some of the barriers to affordable housing identified in the City of Kalamazoo:

Available Land: Most of the available land in the city has been developed. There are only a small number of large vacant tracts that remain, thereby limiting the number of new units that can be constructed. There are several smaller parcels that are vacant and suitable for infill construction of residential units, and while important, will have a smaller impact towards meeting the affordable housing need. There are also some vacant or underutilized commercial buildings that could be prime locations for redevelopment, with residential uses being included. However, redevelopment could be costly.

Environmental Issues: A barrier to the development and redevelopment of these infill sites is environmental contamination. In many of the lower income neighborhoods, the larger tracts of land that are available for redevelopment are environmentally contaminated, primarily due to overuse of the site or an adjacent contamination. Clean-up of these sites can be very costly, thereby limiting the ability to attract new business and housing. It is much easier and cheaper to develop "green fields" in the outlying communities than it is to develop the "brownfields" in the city.

Zoning Ordinances and Land Use Policies: Zoning regulations can be an impediment to affordable housing through density limits, height restrictions, parking requirements, and lengthy permitting processes. According to Brian Montgomery, former Deputy Secretary of HUD, overregulation can reduce the profitability of a development and can discourage developers. However, the city zoning ordinances must strike a balance between the needs of the community and goals of developers. Through the Imagine Kalamazoo 2025 Plan some barriers to infill development were identified including lot sizes, building restrictions, site standards and lot coverage.

Housing and Building Codes: Concerns have been raised that the rental certification program required by the city for all rental units, is a barrier to affordable housing because it adds an additional cost to the management of rental properties. However, in a city where over half of the residential units are rental, a program of this type is necessary to not only maintain the health, safety, and welfare of those who rent in Kalamazoo, but to preserve or improve property values in city neighborhoods.

Actions Planned to Remove or Ameliorate the Negative Effects of Public Policies that Serve as Barriers to Affordable Housing

The city is working on several initiatives that will help to remove barriers to affordable housing. Many of these activities are designed to lower the cost to construct or rehabilitate housing units making them attainable to low-income families.

Available Land: The city is working with the Kalamazoo County Land Bank Authority to amass vacant lots within the CDBG-eligible Census tracts for the purpose of developing neighborhood appropriate single- and multi-family affordable housing.

Environmental Issues: The Brownfield Redevelopment Authority promotes the revitalization of environmentally contaminated or blighted areas in the city. Tax increment financing allows the capture of incremental increases in tax revenue resulting from the redevelopment of the site to reimburse eligible environmental remediation expenses. Through this program, the costs to rehabilitate contaminated sites becomes more manageable. The Brownfield Authority has purchased many contaminated properties throughout the city. They then prepare these sites for redevelopment by removing the contamination. The properties are put back on the market and resold without the environmental contamination.

Zoning Ordinance and Subdivisions: The city's existing Zoning Ordinance permits multi-family housing in five of the eleven residential zoning districts. In addition, duplexes are permitted in two other districts in which multi-family residential is not permitted. Multi-family construction is also allowed in several commercial districts to promote mixed-use developments that encourage walkability.

The following actions are listed in the Imagine Kalamazoo 2025 Master Plan to help resolve this issue. Since that time a number of zoning ordinance changes have been completed to ameliorate barriers to affordable housing. For example, accessory dwelling units are now permitted to allow for increased density through infill housing; minimum lot widths were reduced; live/work zones were created to allow more mixed-use developments; and restrictions were removed limiting ground floor residential in commercial districts.

Finally, a land use evaluation of the commercial corridors throughout the city has recently been completed. For PY2024, the next steps will be to look at rezonings to align the zone districts with the current land use and desired development pattern. This will result in more property zoned for multi-family or mixed-use development projects.

Community Partners: The city will also address barriers to affordable housing through our community partners. In PY2024, approximately \$1 million of the CDBG and HOME award is going towards some type of housing activity. These funds will help to increase the supply of affordable housing, as well as help those in affordable units to remain housed. In addition, the city has encouraged, through the competitive application process, that housing providers form partnerships in the hopes of avoiding duplication of services and therefore greater assistance to larger numbers of low-income households. Most of these partners also provide needed social services that help households with long-term housing sustainability.

Code Enforcement: The City of Kalamazoo's code enforcement and anti-blight effort is funded with CDBG. One of the enforcement teams main purposes is the identification and resolution of blighted housing units, which can be made available for low-income households after rehabilitation, thereby increasing the number of affordable housing units in the city.

Additional Information

Many of the city's community partners also provide needed social services that help households with long-term housing sustainability. Removing barriers to affordable housing is the first goal, then ensuring stability for the long-term needs to be accomplished. The nonprofit partners receiving funding to assist with sustainable affordable housing in PY2024 are:

- Community Homeworks
- Senior Services, Inc.
- Kalamazoo Neighborhood Housing Services
- Edison Neighborhood Association
- Legal Aid of Western Michigan

In addition, during the time period of the 2019-2024 Consolidated Plan, the City of Kalamazoo will support the following:

- Work with local nonprofit housing providers to develop a variety of housing types like duplexes, townhomes, 4-unit apartments to provide a wider range of rents and mortgage costs.
- Improve access to quality rental housing in Kalamazoo through continued support of tenant based rental assistance programs.
- Consider a program where vacant and/or tax foreclosed properties are sold to landlords who maintain exceptional rental properties and will rehabilitate the home for affordable rental housing.

- Work with local nonprofit housing providers on free and/or reduced-cost financial literacy for households from the CDBG-eligible neighborhoods.
- Focus CDBG funding on substandard housing and/or deferred maintenance of affordable housing units, particularly in the Eastside, Edison, and Northside neighborhoods.
- Continue supporting the housing repair program recently developed for low-income homeowners that receive code violations.
- Remediate lead-based paint hazards in single-family owner-occupied units, with a focus on homes with children under six years of age.
- Provide legal assistance to those struggling to maintain their affordable housing.

Other Actions Required by HUD

Introduction

Per HUD regulation 24 CFR 91.220.K, some additional actions need to be addressed in the PY2024 Action Plan, which are the specific requirements of this regulation. However, many of these items have already been outlined earlier in the Action Plan report as required by HUD, so only a brief summary will be provided here. For those items not yet addressed, more detail will be included.

Actions Planned to Address Obstacles to Meeting Underserved Needs

The city will continue to collaborate with our local community housing and human service providers, business leaders, residents, and the development community to identify areas of need in the community. Community Development staff will make a concerted effort to enhance coordination efforts through PY2024 with local funders and other nonprofit organizations to try and address underserved needs. The actions that are currently scheduled as part of this Action Plan include:

- Assistance with construction costs for the development of affordable housing due to the increase in supply costs and labor shortages.
- Development of new affordable housing that will support low-income families with HOME funding.
- Support of tenant based rental assistance through the HOME-ARPA program.
- Coordination with the Kalamazoo County Continuum of Care related to supportive housing.
- Direct support for seniors who wish to age in place through CDBG funding.
- Legal support for low-income families that have housing concerns.

Actions Planned to Foster and Maintain Affordable Housing

In PY2024, the city will continue to place an emphasis on affordable housing. A total of seven CDBG activities and all HOME activities will fund the creation of new or maintenance of existing affordable housing. A total of \$1,354,587 in CDBG funds, as well as \$509,944 in PY2024 HOME funds will be used towards the improvement of affordable housing or supporting the neighborhoods where affordable housing is located. Finally, HOME-ARPA dollars granted to the city will provide tenant based rental assistance for the homeless and/or special needs populations.

Actions Planned to Reduce Lead-Based Paint Hazards

The rehabilitation of older housing in the city is a priority for several reasons. As previously stated, a majority of the housing stock within the core neighborhoods was built before 1979. According to the U.S. Census, 89 percent of the owner-occupied and 74 percent of the renter-occupied housing in the city was built prior to 1980. Due to its age, the likelihood of finding lead-based paint within these homes is high. As this housing stock is important to maintaining affordable housing in the city, remediation of lead-based paint is necessary to ensure the health of children growing up in these homes.

The City of Kalamazoo has been awarded two Lead Based Hazard Reduction Grants, in 2018 and 2022. The purpose of these grants is to identify and remediate lead-based paint hazards. The focus is on homes with children under six years of age. The specifics of the grant are as follows:

2018 Grant

- Grant period was 2019 – 2023.
- Grant award was \$1,999,362.
- Grant was written in collaboration with Kalamazoo Neighborhood Housing Services.
- Grant utilized approximately \$282,000 of CDBG funding as a match.
- 38 homes have been remediated.

2022 Grant

- Awarded December of 2022.
- Grant award is \$3,971,441.40
- Grant period is for four years.
- Approximately 120 homes are expected to be remediated (60% owner-occupied and 40% renter occupied).
- Grant was written in collaboration with Kalamazoo Neighborhood Housing Services.
- Grant will utilize approximately \$300,600 of CDBG funding as a match.
- An additional \$696,000 Healthy Homes grant is available for indoor air quality testing, with a focus on radon testing and remediation.

The city also continues to include lead hazard reduction strategies into repairs of rental properties inspected under the city's housing code. The Rental Registration and Certification Program inspects all rental properties at least once every three years. When potential or existing problems are located, inspectors require appropriate remediation actions.

Subrecipients of city grant funding are required to comply with the lead-based paint disclosure rule of 1996 and the September 2000 regulation, “Requirements for Notification, Evaluation and Reduction of Lead Based Paint Hazards in Federally-Owned Residential Property and Housing Receiving Federal Assistance.” When subrecipients rehabilitate homes, they are required to remediate any lead-based paint found and inform the new homeowners of the steps taken to eliminate this hazard.

Actions Planned to Reduce the Number of Poverty-Level Families

Close to one-third of the city lives below the federal poverty level. The City of Kalamazoo has initiated Shared Prosperity Kalamazoo (SPK) to address this issue. SPK is a bold and ambitious plan to transform our community into a place where every child and every adult thrives and prospers. The Shared Prosperity Kalamazoo Action Plan has three goals that activities are being planned and implemented on simultaneously. They are:

1. Promote the health growth, development, and learning of children.
2. Increase access to good jobs.
3. Promote strong families.

SPK also has four targeted populations, which are:

1. Minority families.
2. Families at or below poverty level and those not earning a living wage.
3. Families in neighborhoods of concentrated poverty.
4. Individuals with criminal records.

The combination of aspirational goals and community engagement has led SPK to focus on three particular neighborhoods that encompass five CDBG-eligible census tracts within the city—Eastside, Edison, and Northside for targeted action projects.

The goals of the Shared Prosperity Kalamazoo Action Plan and the activities supported by this HUD Action Plan are closely aligned. Both plans address the following:

- Low income residents
- Low income and racially-concentrated neighborhoods of the city (CDBG-eligible Census tracts)
- Housing stability
- Youth development

The City of Kalamazoo is leveraging HUD grant funding with private and foundation funding to address these shared goals. In addition, the city has an approved Section 3 Preference Policy to support local low-income businesses and residents, improving their financial stability. The city will also provide loans to for-profit developers willing to partner to create affordable housing units.

SPK supports the 2Gen approach to building family well-being. Current activities include:

Tri-Share –

- Tri-Share is a program in which the cost of childcare is shared equally by an eligible employee, their employer, and the State of Michigan, with coordination being provided regionally by a facilitator hub.
- The purpose of this project is to increase access to high quality, affordable childcare for working families in the core neighborhoods, help to retain talent, and remove one major barrier to employment.
- An additional goal is to support a strong early childcare ecosystem (both supply and demand) to progress the following goals – 1) increasing access to good jobs, 2) creating strong, economically secure families, and 3) fostering the healthy growth, development, and education of youth.
- SPK will support the local facilitator hub to reach core neighborhood families.

VITA (Volunteer Income Tax Assistance) –

- The purpose of the Volunteer Income Tax Assistance (VITA) program is to help improve the economic circumstance of taxpayers with low income by providing free tax preparation services.
- Giving financially burdened taxpayers access to VITA services saves them costly tax preparation fees and helps keep them from becoming a victim of predatory lending practices. These benefits provide individuals with the resources they need to meet basic needs, reduce debt, make costly car, or home repairs and build their savings, contributing to taxpayers' financial security.
- SPK will support this work with expanded sites in the core neighborhoods.

Actions Planned to Develop Institutional Structure

The City of Kalamazoo Community Development Division is working to strengthen and broaden its team. New staff has recently been employed to assist with the Housing for All initiative, compliance with HUD regulations, and the new grant funding which was received during the COVID-19 pandemic. The plan is to develop a cohesive team that can cross-train and support a wide variety of HUD related grant requirements and policies.

In addition to the Community Development Division, the city has staff in Shared Prosperity Kalamazoo and the Foundation for Excellence that support the projects and activities being funded by HUD grants. The shared vision of all these departments to support and improve the lives of city residents allows for coordination of efforts not previously seen in the city.

To assist the city with the capacity and institutional structure of our nonprofit partners, the Kalamazoo Public Library provides *ONEplace @ kpl*, which stands for Opportunities for Nonprofit Excellence. They

provide a management support center that offers capacity building opportunities for nonprofits within Kalamazoo County.

ONEplace gathers local nonprofit leaders and peer-groups to learn from each other and to draw upon the thinking of nationally recognized researchers and practitioners. This offers local organizations an ongoing, larger examination of best practices. ONEplace supports staff, boards, and volunteers working in and with area nonprofits through:

- Individual and small group assessments.
- Technical assistance.
- Referrals to targeted resources including dedicated computer access to databases.
- Workshops on capacity building.

These opportunities strengthen the organizational capability of our nonprofit partners, which improves the performance outcomes gained through the city's grant funding.

CDBG will also be funding projects in PY2024 that will be managed by internal city departments. These include Parks and Recreation, Public Safety, and the Housing Inspection and Code Enforcement Team. The Community Development Division will create internal agreements that will be signed by the directors of each department detailing the work to be accomplished as part of PY2024. In addition, the Community Development Division will provide technical assistance as needed to subrecipients and internal departments receiving funding to ensure all federal rules and regulations are being met.

Actions Planned to Enhance Coordination between Public and Private Housing and Social Service Agencies

The City of Kalamazoo has a multitude of nonprofit partners that work towards a better future for low-income households and the underserved. Many of these nonprofits work closely with the city, often receiving funding through the CDBG and HOME programs. Coordination becomes essential to ensure proper delivery of their services as well as compliance with federal rules and regulations. To that end, the city will undertake the following steps to strengthen coordination:

- Participate in countywide planning activities as they relate to housing.
- Participate with the Continuum of Care in addressing the needs of the homeless.
- Continue to build collaborations within the local development entities to consolidate resources and efforts, and to assist in finding more funding sources.
- Provide educational and capacity building training opportunities to nonprofit agencies to enhance management capacity resulting in an increased ability to undertake and carry out the provision of affordable housing and related support services.
- Provide monitoring sessions with subrecipients to assist with the understanding of federal regulations and to ensure proper expenditure of federal funds.

- Support ONEplace @ kpl and other free services to nonprofit organizations providing capacity building, technical assistance, workshops, seminars, and research opportunities.
- Support Legal Aid of Western Michigan and their efforts to address impediments to fair housing.
- Enhance coordination internally between the Community Development Division and departments that receive federal funding.
- Coordinate with Shared Prosperity Kalamazoo and the Foundation for Excellence for affordable housing development and other needed services to the low-income populations of Kalamazoo.

As the city continues fund activities to address the goals established in the 2019-2024 Consolidated Plan, close communication with internal and external stakeholders will be essential to promote coordination among private and governmental housing, health, mental health, and service agencies.

Program Specific Requirements

Introduction

The following information details some program specific information related to the CDBG and HOME grants. The CDBG information is almost exclusively related to program income generated each year from previous activities. The HOME section details more specific information on some of the policies and procedures related to this program required by HUD.

Community Development Block Grant Program

Projects planned with all CDBG funds expected to be available during the year are identified in Table 9: PY2024 Projects on page 22. The following table outlines other program income funds that may be available for city-sponsored activities during this time period.

Table 15: CDBG Program Income

HUD Funding Question	Amount
1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed.	\$36,000
2. The amount of proceeds from Section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	\$0
3. The amount of surplus funds from urban renewal settlements.	\$0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan.	\$0
5. The amount of income from float-funded activities.	\$0
Total:	\$36,000

In addition, a minimum overall benefit of 70 percent of CDBG funds must be used to benefit persons of low income. The following is true for PY2024:

1. The amount of urgent need activities = 0 percent.
2. The estimated percentage of CDBG funds that will benefit low income persons = 81 percent.

HOME Investment Partnership Program

HUD requires the following questions be answered for the HOME program:

- I. Description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

The city does not plan any other forms of investments except for those identified in Section 92.205 of the HOME Investment Partnership Program Final Rule.

- II. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

A. Resale Provisions

The City of Kalamazoo utilizes the **Resale Provisions** when HOME assistance is provided to new build or redevelopment housing, but with no direct assistance to the homebuyer. The HOME resale provisions are established at §92.254(a)(5)(1) and ensure the following:

1. The property is sold to another low-income homebuyer who will use the property as their principal residence;
2. The original homebuyer receives a fair return on investment, (i.e., the homebuyer’s down payment plus capital improvements made to the house); and
3. The property is sold at a price that is “affordable to a reasonable range of low-income buyers.”

a) Long Term Affordability

Under the city’s resale provisions, if the housing is transferred, voluntarily or otherwise, during the period of affordability, it must be made available for subsequent purchase *only* to a buyer whose family qualifies as low-income and will use the property as its principal residence. The HOME resale provisions must enforce these requirements as any housing assisted with HOME funds must remain affordable for the duration of the period of affordability.

b) Fair Return to Initial Buyer

Upon sale of the property by the initial homebuyer, the homeowner must receive a “fair return” on their investment. A fair return on their investment will be based on the Inflation Rate Multiplier established by the Michigan State Tax Commission and made available to the public on November 15th of each year. To determine a fair return on investment, the Inflation Rate Multiplier will be averaged for time period the initial homebuyer owns and resides in the HOME assisted unit.

In addition, the basis for calculating the fair return will include the homeowner’s original investment (i.e., down payment, closing costs) plus any capital improvements as defined herein, including depreciation. The fair return will only apply to sales within the HOME affordability period.

Example for full return on investment: A homebuyer provides \$5,000 for a down payment on a HOME-assisted unit that cost \$125,000. During the period of affordability, which is 10 years due to the HOME investment. The original homebuyer decides to sell the home after year five of a 10-year affordability period.

To begin the calculation for fair return on investment, the average inflation rate multiplier needs to be calculated, as follows:

Years	Inflation Rate Multiplier
1 st year of ownership (2018)	2.10%
2 nd year	2.40%
3 rd year	1.90%
4 th year	1.40%
5 th year and resale (2022)	1.03%
Average Multiplier:	1.77%

The original homebuyer undertook a \$5,000 kitchen renovation within the 2nd year of ownership. A depreciation calculation indicates this capital improvement is now worth \$4,454. Based on this, the following fair return on investment calculation can be achieved:

$$(\$5,000 + \$4,454) \times 1.77\% = \$167$$

Total return at sale, assuming the price at sale permits the original homebuyer to realize a full return on investment, would include the original homebuyer’s initial investment of \$5,000, plus the \$4,454 investment in capital improvements, plus a \$167 fair return.

$$\$5,000 + \$4,454 + \$167 = \$9,621 \text{ total return to the original homebuyer at sale}$$

This example would require the HOME-assisted unit to sell at price that would allow the superior lien to be repaid, with a remaining balance of \$9,621 for the initial homebuyer. The new sales price must consider that the home is required to remain “affordable to a reasonable range of low-income buyers.”

It is important to note that in certain circumstances, such as a declining housing market where home values are depreciating, the original homebuyer may not receive a total return on his or her investment because the home sold for less or the same price as the original purchase price.

c) Capital Improvement Depreciation

Capital improvements performed by the homeowner will depreciate over a recovery period of 27.5 years using the straight-line method of depreciation outlined by the Internal Revenue Service from the date of improvement completion. For example, if the homeowner completed \$5,000 in capital improvements and then sold the home three years later, the depreciation would calculate as follows:

$$\begin{aligned} \$5,000 / 27.5 \text{ years} &= \$182 \text{ per year} \\ 3 \text{ years of depreciation} \times \$182 &= \$546 \\ \$5,000 - \$546 &= \$4,454 \end{aligned}$$

At the time of resale, the depreciated amount of the capital improvements (\$4,454) will be utilized in the calculation to determine fair return on investment.

Capital improvements by the homeowner must be substantiated with invoices, receipts, bank statements, etc. to confirm total investment.

d) Continued Affordability

During the affordability period all new homeowners must, at time of purchase, be between 35 percent and 80 percent of the area median income, adjusted for family size, as determined by HUD. The property must be affordable to a reasonable range of low-income homebuyers who pay no more than 35 percent of their household adjusted gross income for principal, interest, property taxes, and insurance.

e) Resale Process

When a resale is triggered during the period of affordability the homeowner and/or developer/CHDO shall immediately notify the City of Kalamazoo Community Planning and Economic Development compliance staff. City staff will confer with the homeowner/developer to ensure the following:

- i. Agree on the new sale price with consultation from the developer/CHDO and a written third-party appraisal.

- ii. Confirm the fair return on investment calculation to the seller.
- iii. Review the income eligibility of the subsequent buyer and ensure the buyer will use the property as its principal residence.
- iv. Determine that the subsequent homebuyer is aware of and will continue the period of affordability that is still in effect.
- v. Enter into a Homeowner Participation Agreement with the new buyer.
- vi. If required, new HOME funds will be invested for the subsequent low-income homebuyer, which will extend the period of affordability according to HOME regulations.

B. Recapture Provisions

The City of Kalamazoo utilizes the **Recapture Provisions** when HOME funds are provided to a homebuyer. The HOME recapture provisions are established at §92.254(a)(5)(ii) and permit the original homebuyer to sell the property to any willing buyer during the period of affordability and the City is able to recapture all or a portion of the HOME-assistance provided to the original homebuyer.

1. Long Term Affordability

Under the city’s recapture provisions, the house may be sold to any homebuyer for whatever the market will allow. However, if the homebuyer transfers the property either voluntarily or involuntarily during the period of affordability, the City recovers from available net proceeds all, or a portion of the HOME assistance.

2. Reduction During Affordability Period

The City will reduce the amount of the direct HOME subsidy on a pro-rata basis each year of affordability. The resulting ratio would be used to determine how much of the direct HOME subsidy the City would recapture. The pro rata amount recaptured by the City cannot exceed what is available from net proceeds.

To determine the pro rata amount recaptured by the City:

- a) Divide the number of years the homebuyer occupied the home by the direct HOME subsidy,
- b) Multiply the resulting figure by the number of years left in the affordability period.

Example: A homebuyer received \$20,000 in direct HOME subsidy (\$5,000 in closing costs and \$15,000 between fair market value and the affordable unit price) for a total affordability period of 10 years. \$20,000 divided by 10 years of required affordability equals \$2,000 per year reduction for each year the homebuyer lives in the unit as their

primary residence. The homeowner decides to sell the unit in year five of the 10 years of affordability, requiring five years or \$10,000 to be forgiven and five years or \$10,000 to be recaptured, if available from net proceeds.

The HOME assistance will be fully forgiven after the term of affordability.

3. Shared Net Proceeds

In some cases, such as declining housing markets, the net proceeds available at the time of sale may be insufficient to recapture the entire direct HOME subsidy, and the down payment and any subsequent capital investments of the homebuyer. If such a case occurs, the City will share the net proceeds with the owner in the following manner:

City Proceeds:

- a) Divide the entire direct HOME subsidy by the sum of the direct HOME subsidy plus the homebuyer investment.
- b) Multiply this number by the net proceeds of the sale.

Homebuyer Proceeds:

- a) Divide the homebuyer's investment by the sum of the direct HOME subsidy plus the homebuyer investment.
- b) Multiply this number by the net proceeds of the sale.

Example: A homebuyer received \$20,000 in direct HOME subsidy (\$5,000 in closing costs and \$15,000 between fair market value and the affordable unit price) and the homebuyer provided \$2,000 towards down payment and invested \$5,000 in capital improvements to the property. The capital improvements were completed three years before the resale, which calculates to \$4,454 after depreciation. The homeowner decides to sell the unit in year five of the 10 years of affordability, requiring five years or \$10,000 to be forgiven and five years or \$10,000 to be recaptured. At the close of the sale, the net proceeds provided totals \$9,000, which is less than the direct HOME subsidy and the homeowner's investment. Therefore, the following calculation is performed:

$$\begin{aligned} \text{City proceeds} &= \$20,000 / (\$20,000 + \$6,454 = \$26,454) \times \$9,000 = \$6,804 \\ \text{Homeowner proceeds} &= \$6,454 / \$20,000 + \$6,454 = \$26,454 \times \$9,000 = \$2,196 \end{aligned}$$

4. Capital Improvement Depreciation

Capital improvements performed by the homeowner will depreciate over a recovery period of 27.5 years using the straight-line method of depreciation outlined by the Internal Revenue Service from the date of improvement completion. For example, if the homeowner completed

\$5,000 in capital improvements and then sold the home three years later, the depreciation would calculate as follows:

$$\begin{aligned} \$5,000 / 27.5 \text{ years} &= \$182 \text{ per year} \\ 3 \text{ years of depreciation} \times \$182 &= \$546 \\ \$5,000 - \$546 &= \$4,454 \end{aligned}$$

At the time of resale, the depreciated amount of the capital improvements (\$4,454) will be utilized in the calculation of shared net proceeds. Any remaining balance of the net proceeds would be applied to repaying the direct HOME subsidy.

Capital improvements by the homeowner must be substantiated with invoices, receipts, bank statements, etc. to confirm total investment.

5. Recapture Triggers:

The recapture provisions are triggered when the following occurs:

- a) The house is sold, foreclosed, or occupied by someone other than the approved purchaser under the HOME program.
- b) Non-compliance with the residency requirement will require the immediate payback of HOME funds invested into the property per the requirements noted herein.

III. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds:

The period of affordability is detailed in the subrecipient or developer agreement with the City of Kalamazoo. The affordability period will begin when a Certificate of Occupancy is issued by the city, all necessary information has been submitted to IDIS, and a deed restriction is recorded with Kalamazoo County. The subrecipient or developer agreement outlines the requirement for the deed restriction that runs with the property during the affordability period. A copy of the recorded document is provided to the homeowner and the City of Kalamazoo.

The city also requires the following:

A. Homebuyer Participation Agreement

The city will require all developers/subrecipients/CHDO's to execute a HOME written agreement separate from any loan instrument with the potential homebuyer that will include the following:

- 1. Scope of the program
- 2. Amount of HOME investment or direct HOME subsidy (depending on the program)
- 3. Requirement that the property be the primary residence of the family
- 4. Period of affordability and required deed restriction
- 5. Reduction during affordability period (if applicable)

6. Resale/Recapture provisions

B. Recorded Deed Restrictions

A deed restriction outlining the required affordability period and the recapture or resale provisions (depending on the particular HOME investment) will be recorded with the Kalamazoo County Register of Deeds at the close of lien documents.

IV. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds under 24 CFR 92.206(b), are as follows:

The City of Kalamazoo does not utilize HOME funds to secure existing debt for multi-family units.