Hope, Community, Transparency

These words came to define the Foundation for Excellence as it concluded year one of operations in 2018.

As President of the board and mayor of the City of Kalamazoo I have been so proud of our unshakable focus on helping to support the ambitious vision of Imagine Kalamazoo. The City’s historic commitment to outreach and collaboration has been matched by a level of renewed investment in our city that some thought could never happen, but that all undeniably feel.

We see this in the budgeting priorities of the City and FFE Board, in the projects that City staff is working on with an array of partners, and in the FFE’s commitment to open communication.

As a City, and as a community of passionate individuals and organizations, we are linking hope to action and action to intention.

This board leads with its values of honesty, mutual respect, transparency, and informed discussion – even healthy debate. Our directors have cast an eye long into the future to prepare for and plan the durable groundwork of a sustainable organization whose work continues forever.

This annual report touches on each of these topics. You can always continue the conversation with us at open city commission and FFE board meetings, as well as online at www.imaginekalamazoo.com.

Supporting the journey,

Mayor Bobby J. Hopewell
A Unique Public and Non-Profit Partnership

Fiscal Year 2018

The Foundation for Excellence fiscal year 2018 allocation was set in the amount of $27,512,225 following public presentations and discussion before the City Commission on December 11 and 18, 2017, and a vote of the City Commission on January 2, 2018. Of this sum, $15,084,225 was directed to stabilization of the City’s budget and lowering the City property taxes from 19.0275 mills to 12 mills. Furthermore, $12,428,000 was allocated for aspirational City programs. In 2018 new programs were added and successful programs were expanded and enhanced.

Budget Stabilization

We know that if the City’s budget is stable, then service and staffing will not be reduced due to budget challenges and may adapt to changing needs. Additionally, assets and services can be aligned to make the Imagine Kalamazoo 2025 Strategic Vision a reality through highly impactful and equitable aspirational projects.

Tax Reduction

Regarding the significant investment in tax reduction, a reduction in City property taxes on all properties, should, over the long term, correlate with beneficial effects to the prosperity of all residents, to overall pricing or quality of housing stock, including rentals, as well as business retention or start-up. The City is tracking numbers for property tax delinquency rates and total parcels delinquent dating back a decade in order to set a baseline for modeling the long term impact on homeowners and businesses.

Foreclosure Prevention

In 2018 a grant of $40,000 helped 33 families avoid foreclosure, and allowed work to be done, the first of its kind in Kalamazoo, to ensure that no owner occupied homes on the Northside were foreclosed for non-payment of taxes.

The program makes use of the County’s existing criteria and one-on-one financial counseling to reach those homeowners who have not only the greatest need, caused by a medical emergency for example, but also the highest likelihood of succeeding in exiting arrears permanently. This success resulted partially from door-to-door outreach. Keeping people in their homes prevents many avoidable economic and social outcomes that result from housing insecurity – especially for children and the elderly.

Aspirational Support

In the expand and enhance category are the City’s flagship youth development and career preparation programs, MyCity/ YOU, SuperRec, and All Things Possible, the lead water service removal, expanding youth development and employment programs, and multiple, significant park improvement projects.

A fundraising campaign has also been initiated to raise and invest enough resources to support this kind of work forever.

The Foundation for Excellence (FFE) is an innovative 501(c)(3) non-profit support corporation that was created in 2017 to address systemic challenges to the prosperity of Kalamazoo. The FFE was originally announced alongside a commitment of $70.3 million to support its creation, and to stabilize the City’s budget, lower the property tax rate, and invest in aspirational community projects through 2019. To-date, the FFE has supported many City projects and programs that are impacting the lives of all residents, including many street and sidewalk projects, a historic partnership with the Local Initiative Support Corporation (LISC) for economic development and affordable housing, doubling the pace of lead water service removal, expanding youth development and employment programs, and multiple, significant park improvement projects.

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Aspirational Projects

- Budget Stabilization
  - City Tax Reduction
  - Aspirational Projects
  - Total: $12,428,000

2017-2019 BUDGETS

<table>
<thead>
<tr>
<th>Year</th>
<th>Budget Stabilization</th>
<th>City Tax Reduction</th>
<th>Aspirational Projects</th>
<th>Total</th>
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<tbody>
<tr>
<td>2017</td>
<td>$10,900,000</td>
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2017-2019 STATEMENT OF ACTIVITIES

<table>
<thead>
<tr>
<th>Year</th>
<th>Support and Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$38,180</td>
</tr>
<tr>
<td>2018</td>
<td>$38,180</td>
</tr>
<tr>
<td>2019</td>
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</table>

Learn more about the Foundation for Excellence at [www.kalamazoocity.org/FFE](http://www.kalamazoocity.org/FFE)
youth participated in SuperRec program 304
middle & high school-aged youth participated in All Things Possible 55
unique individuals received work experience and a summer job through MyCITY summer employment program, earning wages totaling $398,000 357
youth directly benefited from expansion of recreation programs 716
families able to obtain housing in new single family homes 10
families able to obtain housing in rehabilitated single family homes 31
people aided by foreclosure prevention outreach 33
people received financial education through Kalamazoo Neighborhood Housing Services 472
tax foreclosures on owner-occupied homes in the Northside Neighborhood 0
lead water services replaced in addition to existing program 78
18,262 residential properties benefited from reduction in City property taxes, saving an average of 11% average reduction of city property tax $326
in strategic property acquisition, leveraging additional funding of $1.4 million $340,000
awarded for building improvement $170,000
in small business real estate loans $490,000
Imagine Kalamazoo 2025 neighborhood plans completed in collaboration with neighborhoods 5
lead water services replaced in addition to existing program 78
9 streets significantly repaired with a complete streets approach, totaling 4.3 lane miles
8+ lane miles of complete streets work including sidewalk repair or construction tree trimming
park improvements completed at Henderson Rockwell Davis Street Frays Bates Alley transformed into a pedestrian promenade with outdoor seating and lighting