



City of Kalamazoo

PY2022 Annual Action Plan

for

Community Development Block Grant

and

HOME Investment Partnership Program

Year Four of the 2019-2023 Consolidation Plan

Adopted by the Kalamazoo City Commission on: May 2, 2022

Submitted to HUD on: May 26, 2022

Prepared by: Community Planning and Economic Development

THE CITY OF KALAMAZOO

ANNUAL ACTION PLAN

JULY 1, 2022 – JUNE 30, 2023

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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 – 2023 Consolidated Plan. Program Year (PY) 2022 Annual Action Plan (July 1, 2022 through June 30, 2023) represents the fourth program year of the Consolidated Plan in which to address the housing and community development priority needs of its low and moderate income families and individuals.

The Action Plan constitutes the city's application to HUD for its Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) funds, which are the primary federal resources for addressing Kalamazoo's housing and community development needs. The city will receive \$2,168,315 in PY2022 funding through the CDBG (\$1,601,747) and HOME (\$566,568) entitlement grants. The city will also be utilizing approximately \$30,900 in anticipated program income in PY2022, as well as \$620,190 from either closed CDBG projects that did not utilize their full funding, or from unobligated funds from 2015 through 2019 program years. The complete available budget for PY2022 totals \$2,819,405.

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 2019-2023 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 through 2023, 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 PY2022 as follow:

- Support neighborhood revitalization by targeting core neighborhoods to improve the quality of life through crime awareness, code enforcement, and address public space improvements.
- Increase the amount of affordable housing by developing new owner- and rental-occupied housing.
- Rehabilitate or complete repairs to existing housing to improve the quality of housing stock in the community for low to moderate income persons and families.
- Provide afterschool educational opportunities for youth to promote efficacy, relationship building, belonging, and self-worth.
- Promote fair housing choice through education and outreach by the Fair Housing Center of Southwest Michigan in the CDBG-eligible neighborhoods.
- Utilize Community Development Division staff to provide oversight of the federal funds.

The activities that will be funded in PY2022 and their award includes the following:

Table 1: PY2022 Activities – Entitlement and Reprogrammed Funds

| Organization | Activity Name | Award |
|---|--|-----------|
| CDBG | | |
| City Community Development Division | CDBG Administration | \$320,000 |
| Fair Housing Center of Southwest MI | Fair Housing Services – Outreach and Education | \$19,654 |
| City Parks and Recreation | After School Youth Programs | \$14,741 |
| City Public Safety | Crime Awareness and Prevention | \$176,888 |
| Community Homeworks | Critical Home Repair Program (including code enforcement repair) | \$247,839 |
| Kalamazoo Neighborhood Housing Services | Homebuyer Down Payment Assistance | \$108,098 |
| Kalamazoo Neighborhood Housing Services | Homeowner Roof Replacement Program | \$197,238 |
| Milestone Senior Services | Home Repair for the Elderly | \$147,406 |
| City Housing Inspection / Code Team | Code Enforcement | \$393,084 |
| City Housing Inspection / Code Team | Demolition | \$49,135 |
| City Community Development Division | Lead Based Paint Hazard Control Program | \$92,905 |
| City Community Development Division | Property Acquisition for Affordable Housing | \$127,475 |
| City Community Development Division | Neighborhood Enhancement: Public Infrastructure Revitalization Project | \$327,474 |
| HOME | | |
| City Community Development Division | HOME Administration | \$56,656 |

| Organization | Activity Name | Award |
|---|--|-----------|
| Kalamazoo Neighborhood Housing Services | Kalamazoo Attainable Homes Partnership Program: Homeownership New Construction | \$250,000 |
| Odyssey Community Improvement L3c | Rental Rehabilitation | \$71,000 |
| Affordable Housing Program | Affordable Housing Program | \$188,912 |

It is the City of Kalamazoo's intent to utilize between 80 to 90 percent of its federal resources for activities that will benefit low and moderate income persons. Details about the individual activities to be accomplished during PY2022 can be found in the Projects section of this report (page 21).

Evaluation of Past Performance

Due to the COVID-19 pandemic, performance outcomes over the past two program years have slowed. Subrecipients, especially those working in improvements to housing, have experienced some difficulties completing projects. Supply chain issues, labor shortages, and the concern participants have with letting visitors into their homes have impacted contractors and subrecipients alike. At the same time, the Department of Community Planning and Economic Development was experiencing staffing changes that affected timeliness of programs.

The city is currently working with subrecipients to develop strategies to get back on track. The hope is to complete all PY2020 and the largest majority of PY2021 activities by the end of calendar year 2022. This will allow the subrecipients and the city to begin PY2022 on solid footing. With that said, there were some impressive performance outcomes that have occurred during this difficult operational time. From the start of the 2019-2023 Consolidated Plan, the following activities utilized federal dollars to support low to moderate income individuals or families, as follows:

- 133 owner-occupied homes received rehabilitation.
- 15 homes received lead-based paint remediation.
- 23 homebuyers received direct financial assistance.
- Two rental units were rehabilitated.
- Six blighted buildings were demolished, including one commercial building in the Eastside Neighborhood.
- 46 business were assisted with funds through the Coronavirus Aid, Relief, and Economic Security Act (CARES).
- Code enforcement was carried out 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.
- The neighborhood center for Kalamazoo Neighborhood Eastside Association received repairs to improve visibility and access.

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 2019-2023 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 through an annual competitive 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 2019-2023 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 represented 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. They seek to provide a standardized and transparent entry, assessment, and referral process for people experiencing a housing crisis or homelessness to access community resources. And further, to improve collaboration, communication, efficiency, and transparency between agency service providers, as well as enhance service 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 project selection 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 Workgroups: Carries out HUD mandated coordinated entry processes, and includes the following committees:
 - Community Housing Matching Process (CHaMPs) Committee is the Coordinated Entry meeting for Kalamazoo County where partner agencies come together to manage resources and services for those experiencing homelessness.
 - MI-507 By-Name List team meetings is a place to review cases of youth, family, chronically homeless, and veterans.
- Eviction Diversion Committee: Works to establish relationships with service providers, landlords, the 8th District Court, and the Michigan Department of Health and Human Services to help reach an optimal outcome for tenants.
- Shelter Committee: A Collaboration between shelter providers and outreach organizations to be responsive to the needs of sheltered and unsheltered populations.

- Outreach Coordination Workgroup: An interagency collaboration of providers that conduct street outreach services to a specific subset of the HUD Category 1 homeless. Members employ a coordination care model approach to address the needs of households in a case conference setting. Together, members develop strategies to address household needs while identifying dignified living settings. The committee utilizes a by name list to track and manage household needs and progress. The group convenes on a weekly basis.

Semi-annually, the Continuum of Care holds a community-wide meeting at the city. In-person meetings were placed on hold during the COVID-19 pandemic, but virtual meetings were held. There is an intent to return to in-person meetings in 2022. 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. 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 Michigan Coalition to End Domestic and Sexual Violence is working to determine the effectiveness of the VI-SPDAT tool. In addition to compiling existing research and best practices, the Coalition intends to host focus groups with direct service providers to collect relevant and honest feedback. The goal of the project is to provide meaningful guidance for the development and selection of a new screening tool to meet the needs of all those who seek housing.

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 2019-2023 Consolidated Plan. The priorities of the 10-Year Plan to End Homelessness called "Open 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 Availability (NOFA) 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. For an agency to be selected 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.
- Employs a "Navigator" who will work to eliminate barriers to housing services by participating in the Systems of Care Team.

In addition, the organization must collect and enter data through Service Point and participate in the community wide data sharing agreement, commonly referred to as the coordinated services agreement,

to allow sharing within HMIS. This agreement outlines the appropriate use of the data collected on individuals seeking assistance.

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 and moderate 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, some of which will be receiving funding within this program year:

Table 3: Consultation PY20200

| Agency/Group/Organization | Agency/Group/Organization Types | Section of Plan addressed by Consultation |
|---|---------------------------------|---|
| Community Homeworks | Housing | Housing Needs Assessment; Non-Homeless Special Needs; Homeless Prevention; Market Analysis |
| Fair Housing Center of Southwest Michigan | Services – Fair Housing | Housing Needs Assessment; Anti-Poverty Strategy |
| Kalamazoo County Continuum of Care | | Housing Need Assessment; Lead-based Paint Strategy; Homelessness Strategy; Homeless Needs - Chronically Homeless; Homeless Needs - Families with Children; Homelessness Needs - Veterans; Anti-Poverty Strategy |
| Kalamazoo Neighborhood Housing Services | Housing | Housing Need Assessment; Lead-based Paint Strategy; Non-Homeless Special Needs; Economic Development; Market Analysis; Anti-poverty Strategy |
| Odyssey Community Improvement L3C | Housing | Housing Needs Assessment |
| Milestone Senior Services | Services – Elderly Persons | Non-Homeless Special Needs |

| 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 consultation with these organization as they are regularly funded through either the CDBG or HOME grants. 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 | | |
| Oakwood Neighborhood Association | | |
| 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. A resident from each neighborhood sits 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 each annual action plan.</p> | | |

The final table outlines additional community agencies, groups, and organizations that the city consulted either during the development of the 2019-2023 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 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 |

| Agency/Group/Organization | Agency/Group/Organization Types | Section of Plan addressed by Consultation |
|--|---------------------------------|---|
| 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 |
| 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.

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 2019-2023 Consolidated Plan and therefore, this annual Action Plan.

Public Participation

Summary of Public Participation Process

The City of Kalamazoo followed its published Public Participation Plan in carrying out the process used to develop this PY2022 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 March 14, 2022 through April 12, 2022. After the comment period, a public hearing was held by the Community Development Act Advisory Committee, which occurred on April 28, 2022, and then by the City Commission on May 2, 2022. The notices of the public comment period and public hearings were posted in the local newspaper, on the Community Investment webpage, and emailed to a database of 64 organizations. In addition, the dates are emailed to all the applicants who submitted a request for funding for the 2022 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 2019-2023 Consolidated Plan. The actions the city will carry out or support through implementation of the PY2022 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 2019-2023 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

No public comments were received at the Community Development Act Advisory Committee public hearing, but there was attendance at the meeting. One member of the public spoke at the City Commission public hearing requesting the City provide more outreach during the public process to encourage more involvement.

Summary of Comments or Views not Accepted

All comments and views were accepted as part of the public process.

Expected Resources

Introduction

The expected federal financial resources for this annual Action Plan are from the CDBG and HOME programs. The city anticipates approximately \$1,601,747 in CDBG and \$566,568 in HOME federal entitlement grants. The city and its subrecipients will also utilize approximately \$30,900 in anticipated program income in PY2022. Finally, there are unallocated or reprogrammed CDBG dollars from previous program years that will be assigned to projects in PY2022 in the amount of \$620,190. The complete available budget for PY2022 totals \$2,819,405.

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.

PY2022 Budget

The table below outlines the complete budget for the federal resources planned in PY2022. The organization, activity, and funding are outlined to clearly describe how federal dollars will be utilized to assist low and moderate income households.

Table 6: PY2022 Action Plan Budget- Sources and Uses

| Organization | Activity Name | Funding Award |
|--|---------------------|------------------|
| CDBG Entitlement Funds | | |
| CDBG Administration¹ | | |
| City Community Development Division | CDBG Administration | \$320,000 |
| CDBG Administration Total: | | \$320,000 |

| Organization | Activity Name | Funding Award |
|--|--|--------------------|
| CDBG Public Service² | | |
| Fair Housing Center of Southwest Michigan | Fair Housing Services – Outreach and Education | \$19,654 |
| City Parks and Recreation Department | After School Youth Programs | \$14,741 |
| City of Kalamazoo Public Safety | Crime Awareness and Prevention | \$176,888 |
| CDBG Public Service Total: | | \$211,283 |
| CDBG All Other | | |
| Community Homeworks | Critical Home Repair Program | \$122,839 |
| Kalamazoo Neighborhood Housing Services | Homebuyer Down Payment Assistance | \$108,098 |
| Kalamazoo Neighborhood Housing Services | Homeowner Roof Replacement Program | \$156,997 |
| Milestone Senior Services | Home Repair for the Elderly | \$147,406 |
| City Housing Inspection / Code Team | Code Enforcement | \$393,084 |
| City Housing Inspection / Code Team | Demolition | \$49,135 |
| City Community Development Division | Lead Based Paint Hazard Control Program | \$92,905 |
| CDBG All Other Total: | | \$1,070,464 |
| CDBG ENTITLEMENT: | | \$1,601,747 |
| CDBG Reprogrammed or Unallocated Funds | | |
| Kalamazoo Neighborhood Housing Services | Homeowner Roof Replacement Program | \$40,241 |
| Community Homeworks | Critical Home Repair (including code enforcement repair) | \$125,000 |
| City Community Development Division | Property Acquisition for Affordable Housing | \$127,475 |
| City Community Development Division | Neighborhood Enhancement: Public Infrastructure Revitalization Project | \$327,474 |
| Total CDBG Reprogrammed Funds: | | \$620,190 |
| CDBG Program Income | | |
| City CPED | Small Business Revolving Loan | \$5,000 |
| City CPED | HODAG Payment – Forest Hills | \$7,900 |
| Kalamazoo Neighborhood Housing Services | Deferred Maintenance | \$18,000 |
| CDBG Program Income Total: | | \$30,900 |
| CDBG TOTAL: | | \$2,252,837 |
| HOME Funds | | |
| City Community Development Division | HOME Administration ³ | \$56,656 |
| Kalamazoo Neighborhood Housing Services ⁴ | Kalamazoo Attainable Homes Partnership: Homeownership New Construction | \$250,000 |
| Odyssey Community Improvement L3c | Rental Rehabilitation | \$71,000 |

| Organization | Activity Name | Funding Award |
|----------------------------|---|--------------------|
| Affordable Housing Program | Affordable Housing Program: Unallocated Funds | \$188,912 |
| HOME TOTAL: | | \$566,568 |
| ALL PROGRAMS TOTAL: | | \$2,819,405 |

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

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

³HOME administration is subject to a 10 percent cap.

⁴CHDO funds will be applied to KNHS.

As outlined in the table, \$620,190 in CDBG funds from unallocated or reprogrammed dollars will be utilized in PY2022. Community Development Division staff completed an audit of CDBG funds available to the City from 2015 to 2021. In doing this, projects were able to be closed which resulted in dollars returning to the unexpended pot of funds. In addition, staff found that in some previous program years not all the CDBG entitlement grant was allocated to projects.

This additional money allowed the Community Development Act Advisory Committee to fully fund the applications that were submitted for PY2022. It has also allowed the city to provide dollars to a CDBG-eligible neighborhood improvement project and support acquisition of properties for the development of affordable housing. Finally, \$125,000 of these unobligated funds were allocated to Community Homeworks to assist the city with the code enforcement repair program. HUD has indicated the importance of providing a program that assists individuals who receive code enforcement citations from the Housing Inspection / Code Enforcement Team. Most of the citations relate to home repairs that could be accomplished under Community Homeworks Emergency Repair Program. They have the capacity and experience to manage repairs of this type, so additional funds were allocated to their program.

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 PY2022, 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 actively being utilized by city partners. Additional HOME funding in the amount of \$1,881,648 was provided through ARPA, which will be used for the development of affordable housing for qualified populations. These populations include the homeless, those at risk of becoming homeless through housing instability, persons fleeing domestic violence, and veterans. The city also received a grant from the Office of Lead Hazard Control and Healthy Homes to assist with lead-based paint remediation in owner-occupied housing. A total of \$1,994,122 was provided in 2018, which will continue to be spent through the current contract agreement date of November 2022.

In addition to federal resources, the Foundation for Excellence supports the City of Kalamazoo with many of its efforts to improve the lives of local residents. The Foundation funds youth programming, parks, infrastructure, career development, transportation, economic and business support, and housing. The Community Development team will utilize this funding to support affordable housing programs, such as homeowner critical and code repair, senior homeowner repairs, homeowner lease/purchase, and new construction. In PY2022, a total of \$1,971,500 will be leveraged with CDBG and HOME dollars for these affordable housing projects.

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 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. Acceptable sources of HOME match dollars are:

- Local or state general revenues
- Housing trust funds
- Foundations and donations
- Program income from HODAG, RRP or UDAG only after grant closeout
- Value of waived taxes, fees, or charges
- Appraisal value of land or real property not acquired with federal funds
- Difference between appraised value and acquisition cost if property is acquired with federal funds
- Interest rate loans to the project
- The cost of investments, not made with federal resources, for in-, on- and off-site infrastructure that is directly required for the affordable housing assisted with HOME funds
- Federal Home Loan Bank grants
- Value of donated material or labor
- Direct cost of supportive services that facilitate independent living or as part of a self-sufficiency program
- Direct cost of homebuyer counseling for families that complete a HOME assisted purchase

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"> • Acquisition • Admin and Planning • Economic Development • Housing • Public Improvements • Public Services | Annual Allocation: \$1,601,747 Program Income: \$30,900 Prior Year Resources: \$620,190 Total: \$2,252,837 | \$1,601,747 |
| <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 • Homebuyer Assistance • Homeowner Rehabilitation • Multifamily Rental New Construction • Multifamily Rental Rehabilitation • New Construction for Homeownership • Tenant Based Rental Assistance | Annual Allocation: \$566,568 Program Income: \$0 Prior Year Resources: \$0 Total: \$566,568 | \$566,568 |
| <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: | Prior Year Resource: \$1,881,648 | \$0 |
| 2018 Lead Hazard Control Grant | Public - Federal | Homeowner Rehabilitation | Prior Year Resource: \$1,994,122 | \$0 |

| Source of Funds | Source | Use of Funds | Expected Amount | Expected remainder of Consolidated Plan |
|---|--------|---|------------------------------------|---|
| Foundation for Excellence | Local | Affordable Housing: <ul style="list-style-type: none"> • Homeowner Critical and Code Repair • Senior Homeowner Repair • Homeowner Lease/Purchase • Clear and Clouded Title Repair • Tax Foreclosure Prevention • New Construction | Current Year Resource: \$1,971,500 | Unknown |
| Narrative: These funds 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 2019-2023 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 |
| | Non-Housing Community Development |
| Geographic Area: | CDBG-eligible census tracts |
| | City-wide low-income households |
| Priority Needs Addressed: | Rehabilitation of existing units |
| | Acquisition of existing units |
| | Production of new units |
| | Down payment assistance |
| | Administration of programs |
| Funding: | CDBG - \$920,739 |
| | HOME - \$509,912 |
| Consolidated Plan Year: | 2019-2023 |
| Annual Action Plan Year: | 2022 |
| Outcome: | Affordability |

| | | |
|---|--|--------------------------|
| Objective: | Provide decent affordable housing | |
| Goal Outcome Indicator | Quantity | Units of Measure |
| Acquisition | 10 | Household housing unit |
| Rental units rehabilitated | 2 | Household housing unit |
| Homeowner housing added | 6 | Household housing unit |
| Homeowner housing rehabilitated | 112 | Household housing unit |
| Direct financial assistance to homebuyers | 8 | Households assisted |
| <p>Narrative: The development and availability of affordable housing for low and moderate income individuals and families are a primary focus of the City of Kalamazoo. The majority of the city's CDBG and 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 | |
| | Economic development | |
| | Neighborhood improvements | |
| Funding: | CDBG - \$623,234 | |
| Consolidated Plan Year: | 2019-2023 | |
| Annual Action Plan Year: | 2022 | |
| Outcome: | Sustainability | |
| Objective: | Creating suitable living environments | |
| Goal Outcome Indicator | Quantity | Units of Measure |
| Public facility or infrastructure activities | 1 | Household housing unit |
| Public service activities other than housing benefit | Persons in CDBG-eligible Census tracts | Persons assisted |
| Buildings demolished | 3 | Buildings |
| Housing code enforcement | 1,000 | Households housing units |

| | | |
|--|--------------------------------------|-------------------------|
| Narrative: CDBG funds will be utilized within the city’s core neighborhoods to support public service activities and removal of blighted properties. In addition, CDBG funds from previous program years will be spent in PY2022 on bricks and mortar projects that will enhance a specific neighborhood. | | |
| | | |
| 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 | |
| Funding: | CDBG - \$12,745 | |
| Consolidated Plan Year: | 2019-2023 | |
| Annual Action Plan Year: | 2022 | |
| Outcome: | Availability/Accessibility | |
| Objective: | Create a suitable living environment | |
| Goal Outcome Indicator | Quantity | Units of Measure |
| Public service activity other than housing benefit | 30 | Persons assisted |
| Narrative: CDBG funds will be used for staffing and supplies of the after-school program managed by the city’s Parks and Recreation Department. | | |
| | | |
| 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: | 2019-2023 | |
| Annual Action Plan Year: | 2022 | |
| Outcome: | Availability/Accessibility | |
| Objective: | Create suitable living environments | |
| Goal Outcome Indicator | Quantity | Units of Measure |
| Homeless prevention | 17 | Persons assisted |

Narrative: No PY2022 dollars have been allocated to this goal. However, the city intends to utilize the available HOME - ARPA funds to develop between 17 and 22 new housing units that will be specifically designated to the homeless population. 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.

PY2022 Projects

Introduction

To support the goals, objectives and priority needs of the 2019-2023 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 PY2022 through the CDBG and HOME programs:

Table 9: PY2022 Projects

| Number | Organization | Activity |
|--------|---|--|
| 1 | City Community Development Division | CDBG Administration |
| 2 | Fair Housing Center of Southwest MI | Fair Housing Services – Outreach and Education |
| 3 | City Parks and Recreation | After School Youth Programs |
| 4 | City Public Safety | Crime Awareness and Prevention |
| 5 | Community Homeworks | Critical Home Repair |
| 6 | Kalamazoo Neighborhood Housing Services | Homebuyer Down Payment Assistance |
| 7 | Kalamazoo Neighborhood Housing Services | Homeowner Roof Replacement Program |
| 8 | Milestone Senior Services | Home Repair for the Elderly |
| 9 | City Housing Inspection / Code Team | Code Enforcement |
| 10 | City Housing Inspection / Code Team | Demolition |
| 11 | City Community Development Division | Lead Based Paint Hazard Control Program |
| 12 | City Community Development Division | Property Acquisition for Affordable Housing |
| 13 | City Community Development Division | Neighborhood Enhancement: Public Infrastructure Revitalization Project |
| 14 | City Community Development Division | HOME Administration |
| 15 | Kalamazoo Neighborhood Housing Services | Kalamazoo Attainable Homes Partnership Program: Homeownership New Construction |
| 16 | Odyssey Community Improvement L3c | Rental Rehabilitation |
| 17 | City Community Development Division | Affordable Housing Program |

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

| | | |
|----------------------|--|--|
| 1 | Project Name | CDBG Administration |
| | Project Description | The Community Development Division will manage the CDBG grant. |
| | Funding | CDBG - \$320,000 |
| | Consolidated Plan Annual Goals Supported | Affordable Housing Homeless Assistance Neighborhood Enhancement Youth Development |
| | Target Areas | City-wide low-income households |
| | Target Date of Completion | 06/30/2023 |
| | 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 | 15 activities will be managed in PY2022, as well as any ongoing activities from previous program years. | |
| 2 | Project Name | Fair Housing Services – Outreach and Education |
| | Project Description | The Fair Housing Center of Southwest Michigan will aid the city through activities that support the 2021 Assessment of Fair Housing Plan. |
| | Funding | CDBG - \$19,654 |
| | Consolidated Plan Annual Goals Supported | Affordable Housing |
| | 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/Southside) |
| | Target Date of Completion | 06/30/2023 |
| | Location Description | 405 West Michigan Avenue, Suite 6, Kalamazoo, MI 49007 |
| | HUD Priority Needs Addressed | Public Services |
| Planned Activities | Outreach and training opportunities will be conducted within the CDBG-eligible Census tract on fair housing issues to inform residents and housing providers on fair housing rules and requirements. | |

| | | |
|---|--|--|
| | Performance Outcomes | Two training sessions per neighborhood. |
| 3 | 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 - \$14,741 |
| | Consolidated Plan Annual Goals Supported | Youth Development |
| | Target Areas | City-wide, with specific emphasis on 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/Southside) |
| | Target Date of Completion | 06/30/2023 |
| | 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. |
| 4 | Project Name | Crime Awareness and Prevention |
| | Project Description | The City of Kalamazoo Public Safety Department will use CDBG funds to support two public safety officers for crime awareness and prevention activities in the CDBG-eligible neighborhoods. |
| | Funding | CDBG - \$176,888 |
| | 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/Southside) |
| | Target Date of Completion | 06/30/2023 |
| | Location Description | 150 East Crosstown Parkway, Suite A, Kalamazoo, MI 49001 |
| | HUD Priority Needs Addressed | Public Services |

| | | |
|----------|--|--|
| | Planned Activities | The KDPS Community Policing Special Unit is intended to partner with the neighborhood associations to identify crime trends that negatively impact the quality of life within the CDBG-eligible neighborhoods, particularly Eastside, Edison, Northside, and Vine. The Community Police Officers will maintain close relationships with neighborhood directors and associations to stay apprised of problems, “hot-spots,” and priorities of the neighborhoods. This will enable them to discuss prevention strategies and to develop a comprehensive prevention approach in a timely manner. The partnership between Public Safety and the citizens of the CDBG-eligible neighborhoods will assist in solving problems creatively to prevent crime. |
| | Performance Outcomes | The Officers will attend monthly neighborhood association meetings and neighborhood watch meetings. They will give presentations within the neighborhoods on an array of topics, mostly geared toward crime prevention and personal safety awareness. |
| 5 | Project Name | Critical Home Repair |
| | Project Description | Community Homeworks will provide critical and other needed repairs to single-family owner-occupied homes, as well as assist the city with repairs due to code violations. |
| | Funding | CDBG - \$247,839 |
| | Consolidated Plan Annual Goals Supported | Affordable Housing |
| | Target Areas | City wide with special 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/Southside) |
| | Target Date of Completion | 06/30/2023 |
| | Location Description | 810 Bryant Street, Kalamazoo, MI 49001 |
| | HUD Priority Needs Addressed | Rehabilitation of Existing Units |
| | Planned Activities | Provide minor, critical, and code violation home repair to stabilize and improve the physical environment of the home to protect health and safety. |
| | Performance Outcomes | A total of 32 homes owned by low- to moderate-income families will be assisted. |
| 6 | Project Name | Homebuyer Down Payment Assistance |
| | Project Description | Kalamazoo Neighborhood Housing Services will provide down payment assistance to eligible homebuyers in the amount of \$10,000. |

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| | Funding | CDBG - \$108,098 |
| | 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/Southside) |
| | Target Date of Completion | 06/30/2023 |
| | Location Description | 1219 South Park Street, Kalamazoo, MI 49001 |
| | HUD Priority Needs Addressed | Down Payment Assistance |
| | Planned Activities | Provide down payment assistance to income-eligible homebuyers that have completed the coaching provided by Kalamazoo Neighborhood Housing Services and plan to purchase a home in a CDBG-eligible Census tract. |
| | Performance Outcomes | A total of eight low- to moderate-income households will be assisted. |
| 7 | 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 - \$197,238 |
| | 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/Southside) |
| | Target Date of Completion | 06/30/2023 |
| | Location Description | 1219 South Park Street, Kalamazoo, MI 49001 |
| | HUD Priority Needs Addressed | Rehabilitation of Existing Units |
| | Planned Activities | Low-interest rate loans will be provided for roof repair or replacement costs. |
| | Performance Outcomes | A total of 15 low-income owner-occupied households will be assisted. |

| | | |
|---|--|--|
| 8 | Project Name | Home Repair for the Elderly |
| | Project Description | Milestone Senior Services will provide critical and minor home repair for owner-occupied senior households. Repairs may resolve critical concerns or allow the senior to age in place. |
| | Funding | CDBG - \$147,406 |
| | 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/Southside) |
| | Target Date of Completion | 06/30/2023 |
| | Location Description | 918 Jasper Street, Kalamazoo, MI 49001 |
| | HUD Priority Needs Addressed | Rehabilitation of Existing Units |
| | Planned Activities | Necessary repairs, such as structural, electrical, plumbing, and heating systems will be conducted to maintain the safety and security of the home. Barrier free renovations to ensure suitable living environment through improved/increased accessibility may be included. |
| | Performance Outcomes | A total of 50 low-income owner-occupied senior households will be assisted. |
| 9 | 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 - \$393,084 |
| | 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/Southside) |
| | Target Date of Completion | 06/30/2023 |
| | 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 the CDBG-eligible Census tracts. 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 1,000 Housing Code violations affecting owner-occupied and rental housing units. |
| 10 | 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 - \$49,135 |
| | 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/Southside) |
| | Target Date of Completion | 06/30/2023 |
| | 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. |
| 11 | 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 - \$92,905 |
| | 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/Southside) |
| | Target Date of Completion | 06/30/2023 |
| | 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. and the Kalamazoo County Health Department, will use this match funding to mitigate and/or abate lead-based paint. A total of 72 homes are expected to be remediated over the life of the grant. |
| | Performance Outcomes | 15 homes will receive lead-based paint remediation in PY2022. |
| 12 | Project Name | Property Acquisition for Affordable Housing |
| | Project Description | The Community Development Division will utilize CDBG reprogrammed funds to purchase available properties for the construction of new affordable housing units. |
| | Funding | CDBG - \$127,475 |
| | 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/Southside) |
| | Target Date of Completion | 06/30/2023 |
| | Location Description | 245 North Rose Street, Suite 100, Kalamazoo, MI 49007 |
| | HUD Priority Needs Addressed | Production of New Units |
| | Planned Activities | Vacant and abandoned properties will be purchased to support development of new affordable housing units. |
| | Performance Outcomes | 10 properties will be purchased for the development of new affordable homeowner housing units. |

| | | |
|-----------|--|---|
| 13 | Project Name | Neighborhood Enhancement – Public Infrastructure Revitalization Project |
| | Project Description | The Community Development Division will work with Public Services and the CDBG-eligible neighborhood associations to provide a public infrastructure improvement that will be an area-wide benefit to the neighborhood. |
| | Funding | CDBG - \$327,474 |
| | 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/Southside) |
| | Target Date of Completion | 06/30/2023 |
| | 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 infrastructure improvement, but the specific activity is still to be determined. |
| | Performance Outcomes | An area-wide benefit will be provided to the residents of the neighborhood chosen. |
| 14 | Project Name | HOME Administration |
| | Project Description | The Community Development Division will manage the HOME grant. |
| | Funding | HOME - \$56,656 |
| | Consolidated Plan Annual Goals Supported | Affordable Housing |
| | Target Areas | City-wide low-income households |
| | Target Date of Completion | 06/30/2023 |
| | 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 | Three activities will be managed in PY2022, as well as any ongoing activities from previous program years. |

| | | |
|----|--|--|
| 15 | Project Name | Kalamazoo Attainable Homes Partnership Program |
| | Project Description | Kalamazoo Neighborhood Housing Services will continue their partnership with the Home Builder’s Association of West Michigan to develop new affordable housing in the city’s core neighborhoods. |
| | Funding | HOME - \$250,000 |
| | 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/Southside) |
| | Target Date of Completion | 06/30/2023 |
| | Location Description | 1219 South Park Street, Kalamazoo, MI 49001 |
| | HUD Priority Needs Addressed | Production of New Units |
| | Planned Activities | HOME dollars will be utilized to subsidize the affordability gap between what an under 80 percent average median income household can afford and the value of the newly constructed home. |
| | Performance Outcomes | Three new homes will be constructed and sold to low-income households. |
| 16 | Project Name | Rental Rehabilitation |
| | Project Description | Odyssey Community Improvement L3C will utilize HOME funds to rehabilitate properties within the West Douglas Neighborhood for long-term affordability. |
| | Funding | HOME - \$71,000 |
| | Consolidated Plan Annual Goals Supported | Affordable Housing |
| | Target Areas | CDBG-eligible Census tract 5.00 (Douglas/Stuart) |
| | Target Date of Completion | 06/30/2023 |
| | Location Description | 2330 South Park Street, Kalamazoo, MI 49001 |
| | HUD Priority Needs Addressed | Production of New Units |
| | Planned Activities | HOME funds will renovate one existing 947 square foot single-family dwelling and convert an existing 1,100 square foot accessory building into a single-family Accessory Dwelling Unit. |
| | Performance Outcomes | Two new rental homes will be rehabilitated for low-income households. |

| | | |
|-----------|--|--|
| 17 | Project Name | Affordable Housing Program |
| | Project Description | The Community Development Division will work with local housing developers to identify potential projects that will provide new affordable housing units. |
| | Funding | HOME - \$188,912 |
| | 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/Southside) |
| | Target Date of Completion | 06/30/2023 |
| | 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 | Three to five new units. |

Reasons for Allocation Priorities and Obstacles to Addressing Underserved Needs

There are several reasons for the allocation priorities of the PY2022 Action Plan. The first is a result of the extensive outreach that was conducted as part of the development of the 2019-2023 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 2019-2023 Consolidated Plan.

A new obstacle that has impacted the city and its subrecipients’ ability to address the needs of the underserved is the rising cost of supplies and services due to the COVID-19 pandemic. Supply chain issues and labor shortages have impacted city nonprofit partners who work to serve the low to moderate income individuals and families in Kalamazoo. For example, typical costs of minor home repairs have increased by approximately 55 percent, which reduces the number of households that can be served.

The amount of affordable housing, particularly affordable supportive housing continues to be a concern in the city. According to the Consolidated Plan, approximately 4,612 households make 80 percent of the area medium income or less and have a housing cost burden greater than 50 percent of their income. As can be expected, extremely low-income households that make 30 percent or less of the area median income are most affected. A household of four has earnings of approximately \$15,156 (in 2022 dollars).

The fair market rents for a two-bedroom apartment in Kalamazoo in 2022 is \$879. For a year, this equates to \$10,548, which is almost 70 percent of their household income.

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, as well as the Foundation for Excellence.

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 and moderate 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 and Southside |

The following table provides the percentage distribution of the location of projects that are being funded with PY2022 grant dollars. However, these percentages are somewhat skewed due to many of our subrecipient partners focusing their activities in the CDBG-eligible neighborhoods, even if the activity is allowed to be city-wide. For example, Community Homeworks assists low-income households regardless of their location in the city. But their policy is to focus their attentions on the core neighborhoods where the need is greatest.

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

| Target Area | Percentage of Funds |
|---------------------------------|---------------------|
| City-wide low-income households | 43.3% |
| CDBG-Eligible Census Tracts | 56.7% |

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 to moderate income by HUD, as seen in the table below:

Table 12: Percent Low to Moderate Income by Census Tract

| Census Tract | Neighborhood | Percent Low to Moderate Income* |
|--------------|---------------------------|---------------------------------|
| 1.00 | Eastside | 82.68% |
| 2.01 | Central Business District | 76.10% |
| 2.02 | Northside | 75.48% |
| 3.00 | Northside | 78.72% |
| 5.00 | Douglas/Stuart | 69.19% |
| 6.00 | Vine | 84.83% |
| 9.00 | Edison | 82.51% |
| 10.00 | Edison | 72.53% |
| 11.00 | Edison and Southside | 61.04% |

*Low to Moderate income Population by Tract, Department of Housing and Urban Development, HUD GIS

In addition to the higher concentrations of low to moderate income persons, these Census tracts also have a higher percentage of persons living in poverty. Approximately 28.4 percent of individuals residing in the City of Kalamazoo are living in poverty, according to the 2019 American Community Survey 5-Year Estimates. The average poverty rate for the tracts noted above is 30.87 percent. The Eastside, Douglas/Stuart, Northside, and Vine neighborhoods have the highest rates of poverty, with an average of 38.76 percent. According to the 2019 American Community Survey 5-Year Estimate, the average median household income within the CDBG-eligible Census tracts is \$31,492 compared with city-wide median household income of \$41,774. This calculates to \$34,632 and \$45,939 in 2022 dollars based on a 9.97 percent rate of inflation per the Bureau of Labor Statistics.

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 2019 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 2019-2023 Consolidated Plan, housing costs continue to rise. The fair market rents posted by HUD for the Kalamazoo-Portage Metropolitan Statistical Area shows an increase of \$84 between 2019 and 2022 for a two-bedroom unit. To assist with the growth of new affordable housing, the city will utilize CDBG and HOME funds for the development of single-family housing for ownership, multi-family housing for rental, rehabilitation of existing units, and down payment assistance for first time homebuyers.

The following tables outline the Action Plan one-year goals for affordable housing utilizing PY2022 CDBG and HOME grants:

Table 13: Number of Households Supported

| Population | Assisted |
|---------------|----------|
| Homeless | 17 |
| Non-Homeless | 88 |
| Special Needs | 50 |
| Total: | 155 |

Table 14: Affordable Housing by Type

| Type of Support | Number of Units |
|----------------------------------|-----------------|
| Rental Assistance | 0 |
| Production of New Units | 33 |
| Rehabilitation of Existing Units | 114 |
| Acquisition of Existing Units | 8 |
| Total: | 155 |

Discussion

While the city does not plan the use of CDBG or HOME entitlement funding specifically for the development of housing for the homeless, the HOME- ARPA grant will develop a minimum of 17 new housing units specifically for the homeless. In addition, the city will leverage the Foundation for Excellence

dollars designated for the development of affordable housing to increase the number of new units. Approximately \$1.9 million will go towards the creation of new housing, rehabilitation and repair of affordable units, and a lease/purchase program.

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 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.

PY2022 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 through Integrated Services of Kalamazoo, who focus on special needs populations, and Catholic Charities Diocese of Kalamazoo, who focuses on homeless youth
- Rapid re-housing through Housing Resources, Inc.
- Homeless prevention through Housing Resources, Inc.

- Emergency shelters through Catholic Charities Diocese of Kalamazoo and Integrated Services of Kalamazoo

As stated, Integrated Services of Kalamazoo conducts outreach to homeless persons to try and understand their 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.

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 communitywide 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. The family 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.
- 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 and down payment assistance programs planned in PY2022 provide opportunities that low-income families may not otherwise have to find affordable rental units or own their own home.

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 is planned for 2022 due to the surge in the Omicron COVID-19 variant, which will be a sampling approach to limit the geographical area canvassed. This approach is in line with HUD's methodology guidance and recommendations. 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. The work completed to date for each action is noted below.

- Determine barriers to infill development throughout the city; review lot sizes, building restrictions, standards, and coverage.
 - In 2018, zoning ordinance amendments created the allowance for accessory dwelling units in our community.
 - In 2019, the residential zone district standards were amended to reduce the minimum lot width of a buildable lot, reduce the minimum lot area required for a buildable lot, and allow for increased dwelling unit density in the multi-dwelling residential districts.
- Update zoning districts to support Complete Neighborhoods and the City's attainable housing strategy.

- In 2018, new zone districts were created named Live Work-1, Live Work-2 and NODE. These new districts offer more flexibility for all residential development with greater unit density than the prior zone districts, as well as allowance for mixed use development in these districts.
- In 2020, the downtown zoning was amended to create three downtown zone districts each with different development intensities. The core downtown (Downtown 1) and the area just outside the core (Downtown 2) allow for apartments and condos and include design standards to allow for limited residential on the ground floor level of buildings. The outer most area of the downtown (Downtown 3) allows commercial uses but also single family, duplex, row houses, apartments, or condos.
- What is planned to continue to support the City's attainable housing strategy?
 - Zoning ordinance amendments are being prepared for 2022 that will modify the restriction placed on ground floor residential units in several of our commercial districts. This package of amendments will also include reducing lot width and lot area minimums for the Residential - Mixed Use District which will increase the number of conforming, buildable lots in this zone.

Community Partners: The city will also address barriers to affordable housing through our community partners. In PY2022, approximately 55 percent of the 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.

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.

Some additional actions planned over the five-year period of the Consolidated Plan are:

- Focus CDBG funding on substandard housing and/or deferred maintenance of affordable housing units, particularly in the Eastside, Edison, and Northside Neighborhoods.
- Implement 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.

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 PY2022 are:

- Community Homeworks
- Senior Services, Inc.
- Kalamazoo Neighborhood Housing Services

In addition, during the time period of the 2019-2023 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 financial options for Kalamazoo residents to increase homeownership and homeowner maintenance by working with local lending institutions and nonprofits to develop loan types and/or underwriting requirements that would allow for nontraditional home loans.
- Work with local nonprofit housing providers to provide homeowner subsidies to help low-income families with down payment assistance.
- 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 ECDBG-eligible neighborhoods.
- Focus CDBG funding on substandard housing and/or deferred maintenance of affordable housing units, particularly in the Eastside, Edison, and Northside neighborhoods.

Other Actions

Introduction

Per HUD regulation 24 CFR 91.220.K, some additional actions need to be addressed in the PY2022 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 Division staff will make a concerted effort to enhance coordination efforts through PY2022 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 because of the COVID-19 pandemic.
- Development of new affordable rental housing that will support very low-income families through the HOME and HOME-ARPA programs.
- Coordination with the Kalamazoo County Continuum of Care related to supportive housing for persons experiencing homelessness and other special needs.
- Direct support for seniors who need emergency home repairs or who wish to age in place through CDBG funding.

Actions Planned to Foster and Maintain Affordable Housing

In PY2022, the city will continue to place an emphasis on affordable housing. A total of six CDBG activities and three HOME activities will fund the creation of new or maintenance of existing affordable housing. A total of \$920,739 in CDBG PY2022 entitlement funds and reprogrammed funds from previous program years, as well as \$509,912 in PY2022 HOME funds will be used towards the improvement of affordable housing in the city. In addition, the city will utilize Foundation for Excellence funding in the amount of \$1.9 million to leverage these grant dollars to increase the number of affordable units developed. Finally, HOME-ARPA dollars granted to the city will create housing 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 was awarded a Lead Based Hazard Reduction Grant. The purpose of this grant 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:

- Grant period is 2019 – 2022.
- Grant award is \$1,999,362.
- 72 homes are expected to be remediated (60% owner-occupied and 40% renter occupied)
- Grant was written in collaboration with Kalamazoo Neighborhood Housing Services
- Grant uses approximately \$200,000 of future CDBG funding as a match

To date, 15 homes have been remediated.

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

Approximately 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. They are:

1. Families of color.
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 to moderate income residents
- Low to moderate 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.

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 and compliance with HUD regulations. Additional staff is pending to support 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 PY2022 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 PY2022. In addition, the Community Development Division will provide technical assistance as needed to the 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.
- Continue to support the Fair Housing Center of Southwest 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 to develop public policy and fund activities to address the goals established in the 2019-2023 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: PY2022 Projects on page 14. The following table outlines other program income funds that may be available to the city 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. | \$30,900 |
| 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: | \$30,900 |

In addition, a minimum overall benefit of 70 percent of CDBG funds must be used to benefit persons of low to moderate income. The following is true for PY2022:

1. The amount of urgent need activities = 0 percent
2. The estimated percentage of CDBG funds that will benefit low to moderate income persons = 88 percent

HOME Investment Partnership Program

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

1. 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.

2. 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:

Per the requirements of 24 CFR 92.254, the city will require subrecipients and developers to recapture all, or a portion of the HOME investment if the homeowner decides to sell the house within the affordability period at whatever price the market will bear. The homebuyer may sell the property to any willing buyer. If the home is sold to another low-income homebuyer, the affordability period continues. However, if the sale is not to a low-income household, the acquisition triggers repayment of the HOME funds utilized when it was originally purchased. The following will be required:

- **Reduction during the Affordability Period (Forgiveness):**
The subrecipient or developer will forgive the direct HOME subsidy during the time of the affordability period. The total amount of the direct HOME subsidy will be equally divided among the years of the affordability period. For example, a \$40,000 direct HOME subsidy would be equally forgiven over the 10-year affordability period, reducing the amount by \$4,000 each year. Forgiveness will only be given to the homebuyer for each year they occupy the home as their primary residence.
- **Amount of Repayment and Net Proceeds:**
Net proceeds are defined as the sale price minus superior non-HOME loan repayments and any closing costs. If there are no net proceeds or insufficient proceeds to recapture the full amount of HOME investment due, the amount subject to repayment must be limited to what is available from net proceeds.
- **Homebuyer Agreement**
Recapture of the HOME investment and forgiveness over time is required to be detailed in the Homebuyer Agreement signed by the homebuyer and recorded on a deed restriction with the County Clerk/Register of Deeds.

3. 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 either the subrecipient or developer agreement with the City of Kalamazoo. The affordability period will begin when a Certificate of Compilation is issued by the city. The agreement also requires the subrecipient or developer to ensure compliance with the affordability period by placing a covenant or deed restriction that runs with the property and is recorded with the County Clerk/Register Office. A copy of the recorded document is provided to the homeowner and the City of Kalamazoo.

Per the requirements of 24 CFR 92.254, the subrecipient or developer will recapture all or a portion of the HOME investment if the homeowner decides to sell the house within the affordability period at whatever price the market will bear. The homebuyer may sell the property to any willing buyer. However, the sale of the property during the affordability period triggers repayment of the direct HOME subsidy provided to the homeowner when it was originally purchased.

4. 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.