



City of Kalamazoo

Substantial Amendment to Program Year 2025 Action Plan

Approved: October 20, 2025

Executive Summary

The following serves as an amendment to the City of Kalamazoo's Program Year (PY) 2025 Action Plan per the requirements of the U.S. Department of Housing and Urban Development (HUD) and the city's Citizen Participation Plan. Under HUD program regulations found at 24 CFR 91.105 (b)(1) and 91.505 (a), the City of Kalamazoo must adequately inform its citizens of the range of activities it expects to undertake during each program year.

The City of Kalamazoo typically provides this information during the annual public hearing and within the corresponding PY2025 Action Plan document. However, the development of the PY2025 Action Plan occurred at the same time as the creation of the new 2025-2029 Consolidated Plan. To ensure timely approval of the 5-year Consolidated Plan, comprehensive project types such as affordable housing and neighborhood enhancements were included in the Action Plan, with the expectation that specific activities would be determined later in a substantial amendment. Therefore, this substantial amendment is to accomplish the following:

- Allocate PY2025 Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME) funds to specific nonprofit partners and affordable housing developers that were not assigned in the approved PY2025 Action Plan.
- Allocate unanticipated CDBG program income receipted from a previous Housing Development Action Grant (HODAG) in the amount of \$431,178.
- Allocate funds from previous program years that are either unallocated or were allocated to affordable housing with no specific activity identified.

Current PY2025 Action Plan Budget

The current Action Plan indicates the following projects and budgets:

Table 1: Current Action Plan Budget

Project	PY2025 Budget
Single-Family Homeowner Repairs	\$703,807.14
Rental Assistance	\$456,340.00
Neighborhood Enhancements	\$197,837.00

Project	PY2025 Budget
Public Services	\$115,000.00
CHDO Project*	\$109,880.41
Code and Property Standards	\$395,674.00
PY2025 Grant Administration	\$362,407.00

*Community Housing Development Organization (CHDO)

Funding for this Amendment

The table below outlines the funding sources and amounts that will support this substantial amendment.

Table 2: Funding Sources

CDBG Sources	
Entitlement Funds 2025	\$399,682.86
Program Income from HODAG Repayment 2025	\$431,178.00
Program Income (expected from past roof replacement activity) 2025	\$30,000
Funds to Reallocate from 2024 Action Plan	\$75,150.00
Funds to Reallocate from 2023 Action Plan	\$133,989.14
Total CDBG:	\$1,070,000.00
HOME Sources	
Entitlement Funds 2025	\$240,239.65
Funds allocated to Affordable Housing in 2024 Action Plan	\$407,288.40
Program Income 2024	\$4,800.00
Funds allocated to Affordable Housing in 2023 Action Plan	\$259,944.00
Funds allocated to Affordable Housing in 2022 Action Plan	\$188,912.00
Unallocated funds from Program Year 2022	\$34,157.60
Funds allocated to a project that was cancelled in Program Year 2020	\$64,658.35
Total HOME:	\$1,200,000
Total Funding for Substantial Amendment:	\$2,270,000.00

As stated, the city received a loan payment from a previously supported affordable housing project, which is shown as program income from a HODAG repayment. Per HUD rules, these funds need to be publicized and assigned to eligible activities.

The CDBG funds to be reallocated and the unallocated HOME funds were detailed in the Program Year 2025 Action Plan and will be restated here. A total of \$209,139.14 in CDBG dollars will be reallocated. These funds come from activities that were no longer needed or were completed under budget in PY2023 and PY2024. Of these dollars, \$75,150 was set aside in PY2024 as match for the lead-based paint grant received from the HUD Office of Lead Hazard Control and Healthy Homes. Due to available Treasury-ARPA dollars, the CDBG funds were no longer needed. The remaining \$133,989.14 from PY2023 was from reduced project budgets.

For the HOME funds, a total of \$34,157.60 needs to be reallocated. These dollars come from a PY2022 project that was not completed. Finally, the \$64,658.35 in HOME dollars was from an activity that had to be repaid to HUD. The developer was unable to complete the project and therefore no final outcomes could be reported. HUD allows the city to reallocate this repayment to a new affordable housing project.

Request for Proposals/Application Process

After City Commission approval of the new 2025-2029 Consolidated Plan, a Request for Proposals process was conducted for the Single-Family Homeowner Repairs, Rental Assistance, and Community Housing Development Organization (CHDO) projects. The following proposals and requested funding awards were submitted by nonprofit partners:

Table 3: Affordable Housing Subrecipient Funding Requests

Organization	Project Type	Activity	Requested Award
Community Homeworks	Single-Family Homeowner Repairs	Critical Repairs	\$250,000
Kalamazoo Habitat for Humanity		Critical Repairs	\$120,000
Kalamazoo Neighborhood Housing Services		Roof Replacement	\$450,000
Milestone Senior Services		Senior Home Repair	\$60,000
Housing Resources, Inc.	Rental Assistance	Tenant Based Rental Assistance	\$342,613
Housing Resources, Inc.		Security Deposit Assistance	\$113,727
Kalamazoo Neighborhood Housing Services	CHDO Project	Single Family - New Constructions or Whole Home Rehab	\$150,000

As can be seen, only one organization submitted under the Rental Assistance and CHDO Project. A total of four organizations requested funding for single-family homeowner repairs for a total request of \$880,000.

A Request for Proposal process was also conducted for the Neighborhood Enhancement project. The core neighborhoods of Eastside, Edison, Northside, Stuart, and Vine were offered an opportunity to submit a proposal for a neighborhood enhancement project within their respective neighborhoods. These proposals were used to determine when each nonprofit neighborhood organization would be assigned funding during the five-year timeframe of the 2025-2029 Consolidated Plan.

Finally, Edison Community Partners made a request for HOME funding support for the Kalrecovery permanent supportive housing project for people recovering from substance use disorder.

PY2025 Project and Activity Amendment Recommendations

The following are the recommended budget amendments for the CDBG and HOME funds available in PY2025:

Table 4: Substantial Amendment Recommendations

Project	Activity	PY2025 Budget
Single-Family Homeowner Repairs	Community Homeworks Critical Repair	\$250,000
	Kalamazoo Habitat for Humanity Critical Repair	\$120,000
	Kalamazoo Neighborhood Housing Services Roof Replacement	\$120,000
	Milestone Senior Services Senior Homeowner Repair	\$60,000
Subtotal:		\$550,000
Rental Assistance	Housing Resources, Inc. Security Deposit Assistance	\$120,000
	Housing Resources, Inc. Tenant-Based Rental Assistance	\$650,000
Subtotal:		\$770,000
Neighborhood Enhancements	Edison Neighborhood Association Connecting Business Nodes Project	\$200,000
	Vine Neighborhood Association Parking Lot/Event Space Improvement Project	\$200,000
Subtotal:		\$400,000
CHDO Project	Kalamazoo Neighborhood Housing Services New Build and Whole Home Rehab	\$150,000
Affordable Housing	Edison Community Partners Kalrecovery Permanent Supportive Housing	\$400,000
Total:		\$2,270,000

With the addition of program income in 2025, all of the Single-Family Homeowner Repair proposals are recommended for their full funding request, except Kalamazoo Neighborhood Housing Services. The recommended amount aligns with the expenditures and outcomes experienced from the roof replacement activity in the 2024 Program Year, and the allocation is what could be reasonably expended in the coming 12 months based on past performance.

Use of the program income freed up some 2025 CDBG entitlement dollars to support two of the neighborhood projects. Based on the proposals received and the readiness of the projects submitted, the Edison and Vine neighborhood projects are recommended for funding. The other three neighborhoods will receive funding at a later date during the time period of the 2025-2029 Consolidated Plan.

With the use of HOME dollars assigned to affordable housing from previous Action Plans, funding for tenant-based rental assistance was increased. This recommendation is due to the growing need for rental assistance in the community. Rent prices are increasing at a faster rate than incomes, pricing out many in the rental market.

Finally, HUD requires the city to assign 15 percent of our HOME award to a Community Housing Development Organization. KNHS is the recommended recipient of this award utilizing both PY2024 and PY2025 HOME CHDO dollars.

Below are more descriptive summaries of each activity:

Owner Occupied Housing Activities

Community Homeworks Critical Repair Program helps low-income homeowners with health and safety issues within their lived environment. The critical repairs often prevent families from facing housing insecurity due to uninhabitable or unsafe conditions. Community Homeworks expects to assist 50 to 60 households with the \$250,000 of CDBG funds.

Kalamazoo Neighborhood Housing Services (KNHS) Roof Replacement Program will provide grants and/or loans, depending on the household's area median income, to replace roofs. When a roof deteriorates, the quality of housing declines rapidly, causing a wide variety of structural, environmental, and quality of life issues. KNHS will receive \$90,000 in CDBG entitlement funds plus approximately \$30,000 in program income for a total of \$120,000. Program income is generated annually from this activity through previous loan repayments. KNHS expects to complete eight to 12 roofs with PY2025 funds.

Kalamazoo Valley Habitat for Humanity (KVHH) Critical Home Repair Program addresses urgent health, safety, and accessibility concerns for low-income owner-occupied households. These repairs help residents remain safe in their homes, preserve the existing affordable housing stock, and prevent the displacement of vulnerable families. KVHH will utilize \$120,000 of CDBG to assist 10 low-income families.

Milestone Senior Services Senior Home Repair Program provides critical and accessibility home repairs specifically to senior households. Milestone has estimated they will be able to assist 10 to 15 senior households with \$60,000 of CDBG.

KNHS Community Housing Development Organization (CHDO) Project – Infill Single-Family New Construction and/or Whole House Rehabilitation Program will work within the Ada/Simpson area of the Northside Neighborhood. KNHS has been working on Ada, Mabel, and Simpson for the past three years and would like to continue working in this area. HUD requires the city to set aside 15 percent of our HOME Investment Partnership Program funds for a Community Housing Development Organization. KNHS meets this requirement and will utilize the \$150,000 to complete three new and/or rehabbed units for low-income households.

Rental Housing Activities

Housing Resources, Inc. (HRI) Moving Forward Program is a tenant-based rental assistance program that provides security deposits and rental support to low-income households. Eligible tenants will receive up to 12-months in assistance to ensure they can meet lease terms. In addition, HRI will work with the tenants to gain self-sufficiency skills to remain housed as they exit from the program. HRI plans to assist approximately 45 to 50 households utilizing \$650,000 in HOME funds for rents and \$120,000 in CDBG funds for security deposits.

Edison Community Partners Kalrecovery Project will utilize \$400,000 in HOME funds to assist the development of new permanent supportive housing for those recovering from substance use disorder. The HOME funds will support eight of the 48 total units planned for the development.

Neighborhood Solution Projects

The 2025-2029 Consolidated Plan outlined a desire to assign approximately \$200,000 a year to one of the 501(c)3 nonprofit core neighborhoods to address a neighborhood project. Due to the increase in program income received by the city, this substantial amendment allows us to assign funding to two neighborhoods, as follows:

Vine Neighborhood Association (VNA) Central Plaza Project

The VNA proposes to transform the Vine Central Plaza (currently the Vine Business District parking lot) into a safe, accessible, multi-functional community space that better serves the neighborhood while addressing critical infrastructure needs. The project will:

- Resurface the lot with eco-friendly, permeable paving.
- Install a proper drainage and water cleanout system to address long-standing flooding issues.
- Create ADA-compliant parking and pedestrian routes.
- Add bike racks, a bike repair station, and improved lighting.
- Develop a flexible gathering space with shaded seating, a small stage for performances, and room for markets and festivals.
- Incorporate green infrastructure, including bioswales, rain gardens, and native plantings.
- Establish a wellness area featuring seating for socializing and an all-in-one outdoor gym to promote physical health and community connection.

The project is supported by community priorities, addressing urgent safety and infrastructure concerns while creating a vibrant, multi-use public space for the neighborhood.

Edison Neighborhood Association Connecting Node Project

The Edison Neighborhood Association (ENA) strategic plan looks to improve quality of life by focusing on arts, culture and environment. One highlight of the plan is to connect two business nodes (Washington Square & Jerico) with a walk/bike friendly one mile route that cuts through a residential section of the neighborhood. It features a large, underutilized greenspace (currently owned by the landbank) at the halfway point. On or just a step off the route there are many youth and senior institutions, schools, social services, businesses and public transportation. Despite these integral organizations' relative proximity, the built environment does not provide safe and accessible non-motorized access.

With the assistance of CDBG funding, the Neighborhood plans to implement the following priorities in 2026- 2027:

- Improve safety at all intersections including the addition of crosswalks, curb cuts, and exploration of approved or pilot measures to slow traffic.
- Acquire and activate the green space at the halfway point after surveying residents for potential uses i.e. dog park, natural playscape, etc. with additional walking paths incorporated. Contract design and development plan.
- Permanent wayfinding that also indicates and connects the existing bike route which ends at each node.
- Continue planning of additional appealing elements i.e. trees, pocket pollinators, and public art.
- Coordinate and connect the school and nearby youth services with the route in collaboration with Safe Routes to Schools.

Final Recommended PY2025 Budget for all Activities

For clarity, the table below provides the final approved and recommended CDBG and HOME budgets for all programs and activities in PY2025. Those activities that were already approved as part of the PY2025 Action Plan are shown in italics.

Table 5: Final PY2025 Budget

Project	Activity	Funding Source	PY2025 Budget
Single-Family Homeowner Repairs	Community Homeworks Critical Repair	CDBG	\$250,000.00
	Kalamazoo Valley Habitat for Humanity Critical Repair	CDBG	\$120,000.00
	Kalamazoo Neighborhood Housing Services Roof Replacement	CDBG	\$120,000.00
	Milestone Senior Services Senior Homeowner Repair	CDBG	\$60,000.00
Rental Assistance	Housing Resources, Inc. Tenant Based Rental Assistance	HOME	\$650,000.00
	Housing Resources, Inc. Security Deposit Assistance	CDBG	\$120,000.00
Neighborhood Enhancements	Edison Neighborhood Association Connecting Business Nodes Project	CDBG	\$200,000.00
	Vine Neighborhood Association Parking Lot/Event Space Improvement Project	CDBG	\$200,000.00
Public Services	<i>City Parks and Recreation - Youth Programming</i>	<i>CDBG</i>	<i>\$15,000.00</i>
	<i>Additional public services activities (application process with CDAAC)</i>	<i>CDBG</i>	<i>\$120,000.00</i>

Project	Activity	Funding Source	PY2025 Budget
CHDO Project	Kalamazoo Neighborhood Housing Services Single Family New Build/Whole Home Rehab	HOME	\$150,000.00
Rental Housing Development	Edison Community Partners Kalrecovey Permanent Supportive Housing	HOME	\$400,000
Code and Property Standards	<i>City Code Enforcement</i>	<i>CDBG</i>	<i>\$395,674.00</i>
PY2025 Grant Administration	<i>City Grant Administration</i>	<i>CDBG</i>	<i>\$391,726.00</i>
	<i>City Grant Administration</i>	<i>HOME</i>	<i>\$45,681.00</i>

Compliance with City Plans

Consolidated Plan

The City of Kalamazoo's 2025-2029 Consolidated Plan is the primary tool used to determine how federal funding can best address the city's needs. These projects are supported by the city's current plan in the following ways:

- Goal: Attainable and affordable housing
 - Priorities:
 - Preserve existing single-family housing for low-income households.
 - Provide stable and affordable rental housing that prevents homelessness.
 - Increase the diversity of housing options.
- Goal: Neighborhood solutions, beautification, and improvements.
 - Priority: Assist neighborhood solutions related to public improvement projects in the core neighborhoods.

Imagine Kalamazoo 2025 Master Plan

Imagine Kalamazoo 2025 Master Plan was the road map in place for city projects when the 2025-2029 Consolidated Plan was developed. It shaped the city's future built environment by guiding growth and development, preserving Kalamazoo's unique character, and enhancing Kalamazoo neighborhoods. The recommended projects support the following Master Plan goals and actions:

- Develop rehabilitation strategies for existing homes and buildings, including historic structures.

- Preserve Kalamazoo's single-family homes by investing in maintenance, preservation, improvement, and development of single-family housing infill for all persons, regardless of income level.
- Determine affordable housing financing strategies that can meet the needs of Kalamazoo residents; infill and rehabilitation.
 - Invest in and incentivize development projects that create senior living/assisted care opportunities and housing options that are affordable throughout the city.
 - Evaluate and promote a mix of housing types across neighborhoods to accommodate various income levels so residents can remain in the city or in their neighborhood as lifestyle needs change.
- Address homelessness with partners and providers to provide safe environments for individuals and families; engage wrap around services for recovery and mental health support.
 - Provide crisis housing with financial assistance and wrap around supportive services needed by program participants to quickly move into permanent housing.
- Create a plan for shared prosperity that reaches qualitative and quantitative targets to build wealth and justice while impacting youth, jobs, and families.
 - Evaluate senior housing needs and access to services and resources.

In addition, the activities funded support the following Strategic Vision goals:

Safe Community – Neighborhood Assistance

Proactively reinvest in neighborhoods through support of programs to help residents fix, rehabilitate, and stabilize homes through critical home repair assistance, educational programs, and weatherization.

Complete Neighborhood – Healthy Environment

Develop and implement long-term built environment strategies to address health disparities with safe access to active transportation, parks and open space, fresh food, quality housing, health care, and resident services.

Connected City – Network Strategies

Maintain and connect roads, sidewalks, and paths to reduce vehicle miles traveled and expand connective access to neighborhood amenities.

Inviting Public Places – Placemaking

Incorporate art and cultural activities with the intention of creating public spaces that promote people's health, happiness, and well-being.

Neighborhood Plans

The three development projects include Kalrecovery permanent supportive housing located in the Edison Neighborhood, the Edison Neighborhood Connecting Nodes project, and the Vine Neighborhood Central Plaza project. Both the Edison and Vine neighborhoods have established neighborhood plans.

The Edison “Imagine the Possibilities” Neighborhood Plan was adopted in 2019. It includes action related to safe routes to schools and improvement of trail connections throughout the neighborhood, which supports the Connecting Nodes project. While the plan priorities related to housing focus on maintaining and creating new owner-occupied opportunities, diversity of land uses, which would include rental housing, is a guiding principle of the plan. Access, health, housing, and quality of life are additional guiding principles of the plan which further support the Kalrecovery housing project.

The “Imagine Vine” Neighborhood Plan includes an action item to design and implement a neighborhood space for gatherings, as well as creating community events and continuing efforts that bring neighbors together creating social capital. The Central Plaza project supports these goals by creating a safe and vibrant space for community activities, while also addressing critical infrastructure needs. This area of Vine consistently floods, making the parking lot unusable. The Central Plaza project will address stormwater issues through proper drainage design and green infrastructure like bioswales, rain gardens, and native plantings.

Citizen Participation Plan

As per the City of Kalamazoo’s Citizen Participation Plan, a public notice on this Substantial Amendment was placed in the Kalamazoo Gazette on September 20, 2025 for the required 30-day public comment period and to notice the public hearing before the City Commission. An electronic copy of this Substantial Amendment was placed on the city’s website at <https://www.kalamazoo.org/communitydevelopment>. A hard copy was available for review at the offices of the Community Planning and Economic Development Department, 245 North Rose Street, Suite 100, Kalamazoo, Michigan. The public notice was also sent to the 63 organizations listed on the contact email list for Community Development.

Public comments received during the 30-day public comment period:

No comments were received during the 30-day public comment period.

Public comments received during public hearing:

The Executive Director of Housing Resources, Inc. spoke at the public hearing outlining the urgent need for rental assistance, their long list of people waiting for support, and the importance of allocating grant funds to this need.