Agenda
Regular Meeting of the City Commission

City of Kalamazoo

Monday, March 6, 2017 7:00 PM

City Commission Chambers - 241 W. South Street

A. CALL TO ORDER/ROLL CALL

B. OPENING CEREMONY

1. Invocation: **Elder Rhonda Edwards, Galilee Baptist Church**
2. Pledge of Allegiance
3. Introduction of Guests
4. Proclamations
   a. Women in Construction Week

C. ADOPTION OF FORMAL AGENDA

D. COMMUNICATIONS

1. Calendar of Upcoming Meetings

E. PUBLIC HEARINGS

F. CONSENT AGENDA

(Action: Motion to approve Items "1-10" and authorize the City Manager to sign all documents on behalf of the City)

1. Approval of a one-year contract extension with Elite Pipeline Services for routine sanitary sewer cleaning and inspection in the amount of $170,296.95.

2. Adoption of an ORDINANCE Authorizing Water Supply System Revenue Bonds, Series 2017 in the amount not to exceed $8,800,000, including $5,900,000 of new dollars for the Water System's FY 2017 Capital Improvement Program, as well as $2,900,000 of refunding dollars for the Water System's outstanding Revenue Bonds, Series 2006 and 2007.

3. Adoption of a RESOLUTION authorizing the issuance of General Obligation Limited Tax Bonds in an amount not to exceed $9 million for the purpose of financing FY 2017 capital projects.

4. Adoption of a RESOLUTION granting a Payment in Lieu of Taxes for the VOK Limited Dividend Housing Association LLC owned by Hope Network and Dwelling Place of Grand Rapids Nonprofit Housing Corporation for Village of Kalamazoo Apartments (Parcel No. 06-19-373-001), pursuant to Section 35-4 of the Kalamazoo City Code.

5. Approval of the First Amendment to the Agreement for the Distribution of County 9-1-1 Surcharge Revenues.

6. Approval of the following amendments to Fiscal Year 2016 Budgeted appropriations:

   - Increase Capital Improvement Fund appropriations by $740,000.
   - Increase Solid Waste Fund appropriations by $66,000.
   - Transfer $90,000 from the Henderson Tot Lot project to the Davis Street Park project.
   - Transfer $250,000 from the Farmer's Market project to the KRVT Downtown Connector trailway project.
   - Transfer $200,000 from the KVCC/WMU Streetscape project to the KRVT Downtown Connector trailway project.
   - Transfer $140,000 from unspent bond reserves to City Hall - Economic Development Offices and Lobby Public Restroom project.

7. Approval of the release of the DRAFT 2017 HUD Action Plan and Substantial Amendment to 2016 HUD Action Plan for a 30-day Public Comment Period to begin on March 7, 2017, as required by the U.S. Department of Housing and Urban Development.

8. Approval of an Easement for Electric Facilities with Consumers Energy Company to permit Consumers to run electric services to the cell tower owned by TowerCo and located on City property at 251 Mills St.

9. Approval and acceptance of an easement with the Heritage Community for water main installed as part of the Heritage Community Water Main Looping Project.

10. Approval of the minutes from the City Commission meetings on January 17, January 23, February 6, and February 20, 2017.

G. REGULAR AGENDA

1. Adoption of a RESOLUTION supporting the Kalamazoo Prisoner ReEntry Coalition. **(Action: Motion to adopt the resolution)**

H. REPORTS AND LEGISLATION

1. City Manager's Report

I. UNFINISHED BUSINESS

J. POLICY ITEMS

K. NEW BUSINESS

L. CITIZEN COMMENTS

M. MISCELLANEOUS COMMENTS AND CONCERNS BY COMMISSIONERS

N. CLOSED SESSION

O. ADJOURNMENT

ADDITIONAL INFORMATION

Get news, information, and alerts from the City of Kalamazoo. Sign up at www.kalamazoocity.org/connect, follow @KalamazooCity on Twitter, and search for The City of Kalamazoo on Facebook.

Questions regarding agenda items may be answered prior to the meeting by contacting the City Manager's Office at 269.337.8047.

Persons with disabilities who need accommodations to effectively participate in City Commission meetings should contact the City Clerk's Office at 337-8792 a week in advance to request mobility, visual, hearing or other assistance.

Agendas for the regular meetings of the Kalamazoo City Commission are available on the Internet at: www.kalamazoocity.org

The Kalamazoo City Commission business meetings are held on the first and third Mondays at 7:00 p.m. and are shown live on the Public Media Network (channel 190 for Charter customers, channel 99 for U-Verse customers). Business meetings are also web streamed live on the City's YouTube channel at https://goo.gl/Q6DW37. Public Media Network rebroadcasts these meetings on Tuesdays at 8:00 a.m., Wednesdays, at 1:00 a.m., and Thursdays at 3:00 p.m. Recorded meetings are also available on-demand on the YouTube channel.

Commission Agenda Report

City of Kalamazoo

TO: Mayor Hopewell, Vice Mayor Cooney, and City Commissioners

FROM: Scott A. Borling, City Clerk

PREPARED BY: Shelby Moss, Deputy City Clerk

DATE: 2/9/2017

SUBJECT: Calendar of Upcoming Meetings

INFORMATIONAL ITEMS

Attached is the calendar of upcoming meetings of the City Commission's advisory boards, commissions, and committees.

ATTACHMENTS:

	Type	Description
🗋	Meeting Schedule	20170306 Calendar of Meetings

Calendar of Upcoming Meetings

City of Kalamazoo

City Commission (next 30 days)

Regular Business Meetings – 7:00 p.m. in the City Commission Chambers

March 20th and April 3rd

Regular Neighborhood Meetings – 6:00 p.m. in the Community Room at City Hall

March 20, 2017

Advisory Boards, Commissions and Committees (next two weeks)

The **Parks and Recreation Advisory Board** will meet on Tuesday, March 7, 2017 at 5:30 p.m., in the Parks and Recreation Community Room at Mayors' Riverfront Park, located at 251 Mills Street.

The **Traffic Board** will meet on Thursday, March 9, 2017 at 2:00 p.m., in the Public Services Conference Room, located at 415 Stockbridge Avenue.

The **Community Development Act Advisory Committee** will meet on Thursday, March 9, 2017 at 6:30 p.m., in the Community Room at City Hall.

The **Zoning Board of Appeals** will meet on Thursday, March 9, 2017 at 7:00 p.m., in the in the City Commission Chambers at City Hall.

The **Employee Retirement System Board of Trustees** will meet on Monday, March 13, 2017 at 3:00 p.m., in the Third Floor Conference Room at City Hall.

The **Kalamazoo Historic Preservation Commission** will meet on Monday, March 13, 2017 at 6:00 p.m., in the Third Floor Conference Room at City Hall.

The **Environmental Concerns Committee** will meet on Wednesday, March 15, 2017 at 4:30 p.m., in the Community Room at City Hall.

The **Economic Development Corporation** will meet on Thursday, March 16, 2017 at 7:30 a.m., in the Community Room at City Hall. The **Brownfield Redevelopment Authority** will meet immediately following.

The **Building Board of Appeals** will meet on Thursday, March 16, 2017 at 2:00 p.m., in the Commission Chambers at City Hall.

The **Kalamazoo Municipal Golf Association** will meet on Thursday, March 16, 2017 at 5:30 p.m., in the clubhouse at Milham Park Golf Course, located at 4200 Lovers Lane.

The **Downtown Development Authority** will meet on Monday, March 20, 2017 at 3:00 p.m., in the Community Room at City Hall.

Commission Agenda Report

City of Kalamazoo

TO: Mayor Hopewell, Vice Mayor Cooney, and City Commissioners

FROM: James K. Ritsema, ICMA-CM, City Manager

REVIEWED BY: James J. Baker, PE, Public Services Director

PREPARED BY: Ryan Stoughton, EIT, Senior Civil Engineer

DATE: 2/15/2017

SUBJECT: 2017 Township Sanitary Sewer O&M Cleaning & Inspection Contract Extension – Bid Reference No: 670-61-005.2

RECOMMENDATION

It is recommended that the City Commission approve a one year contract extension with Elite Pipeline Services of Allendale, MI for routine sanitary sewer cleaning and inspection in the amount of $170,296.95.

BACKGROUND

Per the current Wastewater Service Agreements between the City of Kalamazoo and the Townships of Oshtemo, Pavilion, Comstock, Kalamazoo, and Texas the City is responsible for routine maintenance of the sanitary collection system. Part of the maintenance consists of routine sewer cleaning and inspection

On January 13, 2015 the City solicited bids for the Sanitary Sewer Cleaning of Townships with Elite Pipeline Services being the lowest responsive bidder. The contract allows for the City to opt to renew the contract for up to four (4) one-year periods. On January 16, 2017 the City solicited the intent to renew contract for Sanitary Sewer Cleaning of Townships with Elite Pipeline Services.

COMMUNITY RESOURCES CONSULTED

This recommendation did not require advisory board consultation or additional public input.

FISCAL IMPACT

The funding for this project is available in the City's 2017 Wastewater Operation and Maintenance Budget. Project funding and estimated costs are as follows:

Funding:	2017 Wastewater O&M Budget (590-541-02-)	
	(611-845.001) Sewer Preventative Maint. & Cleaning	$58,400.00
	(610-845.001) T.V. Inspection	$111,896.95
		$170,296.95

Costs:

Construction Costs	$170,296.95
	170,296.95

ALTERNATIVES

The City of Kalamazoo determined it to be cost effective to hire an outside firm to clean and inspect the Townships' system and have City crews focus on the City system.

The alternative of not approving the purchase order is not recommended as the City would be unable to meet the contract requirements without hiring additional staff and purchasing additional equipment.

Commission Agenda Report

City of Kalamazoo

TO: Mayor Hopewell, Vice Mayor Cooney, and City Commissioners

FROM: James K. Ritsema, ICMA-CM, City Manager

PREPARED BY: Thomas C. Skrobola, Director of Management Services/Chief Financial Officer

SUBJECT: Ordinance Authorizing Water Supply System Revenue and Revenue Refunding Bonds, Series 2017

RECOMMENDATION

It is recommended that the City Commission adopt an Ordinance Authorizing Water Supply System Revenue Bonds, Series 2017 in the amount not to exceed $8,800,000, including $5,900,000 of new dollars for the Water System's FY 2017 Capital Improvement Program, as well as $2,900,000 of refunding dollars for the Water System's outstanding Revenue Bonds, Series 2006 and 2007.

BACKGROUND

The City Commission on February 6th, 2017, adopted a Notice of Intent Resolution to issue Water Supply System Revenue and Revenue Refunding Bonds, Series 2017. This Resolution initiated the process of issuing debt to finance the Water System's FY 2017 Capital Improvement program in the amount of $5.9 million, in accordance with the Adopted FY 2017 Budget, as well as to refund $2.9 million of outstanding Water System Revenue Bonds, Series 2006 and 2007.

Under the provisions of the Resolution and State law, the public was notified of the City's intent to issue this debt, and has been provided with a 45-day period to circulate petitions for a referendum. That 45-day period will expire in March; if that occurs with no petition having been issued to the City, the City will be authorized to issue this debt at that time.

COMMUNITY RESOURCES CONSULTED

The FY 2017 Capital Budget was presented and approved as part of the 2017 annual budget process and reviewed and approved by the City Planning Commission.

FISCAL IMPACT

The annual debt service on this bond issue is included in the City's Adopted FY 2017 Budget.

The City's Financial Advisors RW Baird and Associates have calculated that the City's Water System would save over $100,000 in cash flow through 2026 from the Refunding Bonds, equivalent to nearly $90,000 in net present value savings.

ALTERNATIVES

Not approving the Resolution is not recommended, because the City would not be able to finance the Adopted FY 2017 Budget Capital Improvement plan for the Water System, and the Water System would also not realize the projected savings of over $100,000 in cash flow through 2026 from the Refunding Bonds.

ATTACHMENTS:

	Type	Description
🗋	Ordinances	Authorizing Ordinance to Issue Water Supply System Revenue and Revenue Refunding Bonds, Series 2017

ORDINANCE NO. _____

AN ORDINANCE TO PROVIDE FOR THE ISSUANCE AND SALE OF WATER SUPPLY SYSTEM REVENUE AND REVENUE REFUNDING BONDS TO PAY THE COST OF THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, IMPROVEMENTS AND EXTENSIONS TO THE WATER SUPPLY SYSTEM OF THE CITY AND REFUNDING ALL OR PART OF REFUNDING OUTSTANDING BONDS OR THE WATER SUPPLY SYSTEM OF THE CITY; TO PRESCRIBE THE FORM OF THE BONDS; TO PROVIDE FOR THE COLLECTION OF REVENUES FROM THE SYSTEM SUFFICIENT FOR THE PURPOSE OF PAYING THE COSTS OF OPERATION AND MAINTENANCE OF THE SYSTEM AND TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS AND CERTAIN OUTSTANDING BONDS OF EQUAL STANDING OF THE SYSTEM; TO PROVIDE AN ADEQUATE RESERVE FUND FOR THE BONDS AND OUTSTANDING BONDS OF THE SYSTEM; TO PROVIDE FOR THE SEGREGATION AND DISTRIBUTION OF THE REVENUES; TO PROVIDE FOR THE RIGHTS OF THE HOLDERS OF THE BONDS AND OUTSTANDING BONDS OF THE SYSTEM IN ENFORCEMENT THEREOF; AND TO PROVIDE FOR OTHER MATTERS RELATING TO THE SYSTEM AND THE BONDS AND OUTSTANDING BONDS OF THE SYSTEM.

THE CITY OF KALAMAZOO ORDAINS:

Section 1. Definitions. Whenever used in this Ordinance, except when otherwise indicated by the context, the following terms shall have the following meanings:

(a) "Act 94" means Act 94, Public Acts of Michigan, 1933, as amended.

(b) "Authorized Officers" mean either the City Manager, Deputy City Manager or Director of Management Services and Chief Financial Officer.

(c) "Bonds" mean the Series 2017 Bonds, the Outstanding Bonds and any additional Bonds of equal standing hereafter issued.

(d) "Bond Purchase Agreement" means the Bond Purchase Agreement relating to the purchase of the Series 2017 Bonds by and between the City and the purchaser.

(e) "Escrow Agent" means The Bank of New York Mellon Trust Company, N.A., Detroit, Michigan.

(f) "Issuer" or "City" means the City of Kalamazoo, County of Kalamazoo, Michigan.

(g) "Outstanding Bonds" means the Series 2006 Bonds, the Series 2007 Bonds, Series 2012 Bonds, the Series 2014 Bonds and the Series 2015 Bonds.

(h) "Outstanding Ordinances" means Ordinances Nos. 1539, 1765, 1814, 1827, 1891, 1919 and 1933 of the City.

(i) "Project" means the additions, extensions and improvements to the System, including water main improvements, elevated storage and booster improvements, together with all necessary structures, equipment, furnishings and all appurtenances and attachments thereto.

(j) "Refunded Bonds" means all or a portion of the Series 2006 Bonds and the Series 2007 Bonds as shall be finally determined pursuant to the Sale Order referred to herein.

(k) "Revenues" and "Net Revenues" mean the revenues and net revenues of the System and shall be construed as defined in Section 3 of Act 94, including with respect to "Revenues", the earnings derived from the investment of moneys in the various funds and accounts established by the Outstanding Ordinances and this Ordinance.

(l) "Sale Order" means the Sales Order to be executed by an Authorized Officer of the Issuer respecting the sale of the Series 2017 Bonds.

(m) "Series 2006 Bonds" mean the Water Supply System Revenue and Revenue Refunding Bonds, Series 2006, dated November 29, 2006, in the outstanding principal amount of One Million Four Hundred Twenty Thousand Dollars ($1,420,000).

(n) "Series 2007 Bonds" mean the Water Supply System Revenue Bonds, Series 2007, dated July 12, 2007, in the outstanding principal amount of One Million Four Hundred Twenty-Five Thousand Dollars ($1,425,000).

(o) "Series 2012 Bonds" mean the Water Supply System Revenue Refunding Bonds, Series 2012, dated June 5, 2012, in the outstanding principal amount of One Million Seven Hundred Sixty-Five Thousand Dollars ($1,765,000).

(p) "Series 2014 Bonds" means the Water Supply System Revenue Refunding Bonds, Series 2014, dated May 1, 2014, in the outstanding principal amount of Ten Million Six Hundred Five Thousand Dollars ($10,605,000).

(q) "Series 2015 Bonds" means the Water Supply System Revenue Bonds, Series 2015, dated May 1, 2014, in the outstanding principal amount of Two Million Nine Hundred Twenty Thousand Dollars ($2,920,000).

(r) "Series 2017 Bonds" means the Water Supply System Revenue and Revenue Refunding Bonds, Series 2017, authorized pursuant to this ordinance.

(s) "Sufficient Government Obligations" means direct obligations of the United States of America or obligations the principal and interest on which is fully guaranteed by the United States of America, not redeemable at the option of the issuer, the principal and interest payments upon which, without reinvestment of the interest, come due at such times and in such amounts as to be fully sufficient to pay the interest as it comes due on the Bonds and the principal and redemption premium, if any, on the

Bonds as it comes due whether on the stated maturity date or upon earlier redemption. Securities representing such obligations shall be placed in trust with a bank or trust company, and if any of the Bonds are to be called for redemption prior to maturity, irrevocable instructions to call the Bonds for redemption shall be given to the paying agent.

(t) "System" means the entire Water Supply System of the City as defined in the Outstanding Ordinances.

(u) "Transfer Agent" means The Bank of New York Mellon Trust Company, N.A., Detroit, Michigan.

Section 2. Necessity; Public Purpose; Estimated Cost and Life of Project. It is hereby determined to be a necessary public purpose of the Issuer to acquire and construct the Project and to refund all or part of the Refunded Bonds. The estimated cost of acquiring and constructing the Project including engineering, contingencies, legal and financing expenses, in an amount of not to exceed Five Million Nine Hundred Thousand Dollars ($5,900,000) and the estimated cost of refunding the Refunded Bonds, including legal and financing expenses, in an amount of not to exceed Two Million Nine Hundred Thousand Dollars ($2,900,000), are hereby approved. The Issuer does hereby estimate the period of usefulness of the Project to be at least twenty-five (25) years.

Section 3. Payment of Cost; Bonds Authorized. To pay the costs associated with acquiring and constructing the Project and the refunding of the Refunded Bonds, including legal, financial and other expenses incident thereto and incident to the issuance and sale of the Series 2017 Bonds, the Issuer shall borrow the sum of not to exceed Eight Million Eight Hundred Thousand Dollars ($8,800,000), as finally determined in the Sale Order and issue the Series 2017 Bonds therefor pursuant to the provisions of Act 94. The remaining costs, if any, shall be defrayed from System funds on hand and legally available for such use, including moneys in the bond and interest redemption fund established for the Refunded Bonds.

Section 4. Bond Details. The Series 2017 Bonds shall be designated WATER SUPPLY SYSTEM REVENUE AND REVENUE REFUNDING BONDS, SERIES 2017, shall be payable solely and only out of the Net Revenues, as set forth more fully herein, shall consist of bonds of the denomination of $5,000, or integral multiples of $5,000 not exceeding in any one year the amount maturing in that year, dated as of the date of delivery or such other date as shall be determined in the Sale Order, numbered in order of authentication, and shall mature on September 1st in the years 2017 to 2041, inclusive, in such amounts or as otherwise may be provided in the Sale Order.

The Series 2017 Bonds shall bear interest at a rate or rates determined on the sale thereof, but in any event not exceeding 6% per annum, payable on March 1 and September 1 of each year, commencing September 1, 2017, or such date as determined in the Sale Order, by check by check or draft mailed by the Transfer Agent to the person or entity which is, as of the 15th day of the month preceding the interest payment date, the registered owner at the registered address as shown on the registration books of the Issuer maintained by the Transfer Agent. The date of

determination of registered owner for purposes of payment of interest as provided in this paragraph may be changed by the Issuer to conform to market practice in the future. The principal of the Series 2017 Bonds shall be payable at the principal corporate trust office of the Transfer Agent.

Series 2017 Bonds maturing in the years 2017 to 2026, inclusive, shall not be subject to redemption prior to maturity. Bonds or portions of bonds in multiples of $5,000 maturing in the year 2027 and thereafter shall be subject to redemption prior to maturity, at the option of the City, in any order of maturity and by lot within any maturity, on any date on or after September 1, 2026, at par and accrued interest to the date fixed for redemption.

In case less than the full amount of an outstanding Bond is called for redemption, the Transfer Agent upon presentation of the Bond called in part for redemption shall register, authenticate and deliver to the registered owner a new bond in the principal amount of the portion of the original bond not called for redemption. Notice of redemption shall be given in the manner specified in the form of the Bonds contained in Section 14 of this Ordinance.

Section 5. Execution of Bonds. The Series 2017 Bonds shall be executed in the name of the Issuer with the facsimile signatures of the Mayor and the City Clerk and shall have a facsimile of the Issuer's seal printed on them. No Bond signed by facsimile signature shall be valid until authenticated by an authorized signer of the Transfer Agent. The Series 2017 Bonds shall be delivered to the Transfer Agent for authentication and be delivered by the Transfer Agent to the purchaser in accordance with instructions from an Authorized Officer upon payment of the purchase price for the Series 2017 Bonds in accordance with the bid when accepted. Executed blank bonds for registration and issuance to transferees shall simultaneously, and from time to time thereafter as necessary, be delivered to the Transfer Agent for safekeeping.

Section 6. Registration and Transfer. Any Bond may be transferred upon the books required to be kept pursuant to this section by the person in whose name it is registered, in person or by the registered owner's duly authorized attorney, upon surrender of the Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Transfer Agent. Whenever any Bond or Bonds shall be surrendered for transfer, the Issuer shall execute and the transfer agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount. The Transfer Agent shall require payment by the bondholder requesting the transfer of any tax or other governmental charge required to be paid with respect to the transfer. The Transfer Agent shall not be required (i) to issue, register the transfer of or exchange any Bond during a period beginning at the opening of business 15 days before the day of the giving of a notice of redemption of Bonds selected for redemption as described in the form of Bonds contained herein and ending at the close of business on the day of that giving of notice, or (ii) to register the transfer of or exchange any Bond so selected for redemption in whole or in part, except the unredeemed portion of Bonds being redeemed in part.

The Transfer Agent shall keep or cause to be kept, at its principal office, sufficient books for the registration and transfer of the Series 2017 Bonds, which shall at all times be open to inspection by the Issuer; and, upon presentation for such purpose, the Transfer Agent shall, under

such reasonable regulations as it may prescribe, transfer or cause to be transferred, on said books, Bonds as hereinbefore provided.

The Series 2017 Bonds may be issued in book-entry-only form through the Depository Trust Company in New York, New York ("DTC") and any Authorized Officer of the City is authorized to execute such custodial or other agreement with DTC as may be necessary to accomplish the issuance of the Series 2017 Bonds in book-entry-only form and to make such changes in the Bond form with the parameters of this ordinance as may be required to accomplish the foregoing.

Section 7. Payment of Series 2017 Bonds. The Series 2017 Bonds and the interest thereon shall be payable solely and only from the Net Revenues, and to secure such payment, there is hereby recognized a statutory lien upon the whole of the Net Revenues which shall be a first lien to continue until payment in full of the principal of and interest on all Bonds payable from the Net Revenues, or, until sufficient cash or Sufficient Government Obligations have been deposited in trust for payment in full of all Bonds of a series then outstanding, principal and interest on such Bonds to maturity, or, if called for redemption, to the date fixed for redemption together with the amount of the redemption premium, if any. The statutory first lien referred to herein shall be of equal standing and priority with the City's Outstanding Bonds. Upon deposit of cash or Sufficient Government Obligations, as provided in the previous sentence, the statutory lien shall be terminated with respect to that series of Bonds, the holders of that series shall have no further rights under this Ordinance except for payment from the deposited funds, and the Bonds of that series shall no longer be considered to be outstanding under this Ordinance.

Section 8. Bondholders' Rights; Receiver. The holder or holders of the Series 2017 Bonds representing in the aggregate not less than twenty percent (20%) of the entire principal amount thereof then outstanding, may, by suit, action, mandamus or other proceedings, protect and enforce the statutory lien upon the Net Revenues of the System, and may, by suit, action, mandamus or other proceedings, enforce and compel performance of all duties of the officers of the Issuer, including the fixing of sufficient rates, the collection of Revenues, the proper segregation of the Revenues of the System and the proper application thereof. The statutory lien upon the Net Revenues, however, shall not be construed as to compel the sale of the System or any part thereof.

If there is a default in the payment of the principal of or interest on the Series 2017 Bonds, any court having jurisdiction in any proper action may appoint a receiver to administer and operate the System on behalf of the Issuer and under the direction of the court, and by and with the approval of the court to perform all of the duties of the officers of the Issuer more particularly set forth herein and in Act 94.

The holder or holders of the Series 2017 Bonds shall have all other rights and remedies given by Act 94 and law, for the payment and enforcement of the Series 2017 Bonds and the security therefor.

Section 9. Rates and Charges. The rates and charges for service furnished by and the use of the System and the methods of collection and enforcement of the collection of the rates

shall be those in effect on the date hereof, as the same shall be increased from time to time.

Section 10. No Free Service or Use. No free service or use of the System, or service or use of the System at less than the reasonable cost and value thereof, shall be furnished by the System to any person, firm or corporation, public or private, or to any public agency or instrumentality, including the Issuer.

Section 11. Fixing and Revising Rates. The rates presently in effect in the City are estimated to be sufficient to provide for the payment of the expenses of administration and operation and such expenses for maintenance of the System as are necessary to preserve the System in good repair and working order, to provide for the payment of the principal of and interest on the Bonds as the same become due and payable, and the maintenance of the reserve therefor and to provide for all other obligations, expenditures and funds for the System required by law and this Ordinance. In addition, the rates shall be set from time to time so that there shall be produced Net Revenues in an amount equal to 120% of the principal of and interest on the Bonds coming due in each fiscal year. The rates shall be reviewed not less than once a year and shall be fixed and revised from time to time as may be necessary to produce these amounts, and it is hereby covenanted and agreed to fix and maintain rates for services furnished by the System at all times sufficient to provide for the foregoing.

Section 12. Bond Reserve Fund. The Reserve Account in the Bond and Interest Redemption Fund, as established by the Outstanding Ordinances shall be adjusted in such amounts, so that upon issuance of the Series 2017 Bonds, the Bond Reserve Account shall total a sum equal to the lesser of (a) the maximum annual principal and interest requirements on the Bonds outstanding after issuance of the additional Bonds, (b) 125% of the average annual debt service on the Bonds after issuance of the additional Bonds, or (c) an amount equal to 10% of the principal amount of the Bonds. In the event that the amount in said Reserve Account is greater than such largest annual debt service requirement, such excess amount shall be transferred to the Bond and Interest Redemption Fund described herein. If it is necessary to increase the amount in the Bond Reserve Account, the City shall deposit a sum from the moneys on hand in the System prior to delivery of the Bonds so that the Bond Reserve Account is fully funded as of the delivery of the Bonds.

Section 13. Disposition of Bond Proceeds; Escrow Fund. There is hereby established in a bank insured by the Federal Deposit Insurance Corporation to be selected by the Director of Management Services and Finance Director, a separate depositary account to be designated "Water Supply System Revenue Bonds Series 2017 Construction Fund", the moneys from time to time on deposit to be used solely to pay the cost of the Project and the incidental costs set forth in Section 4 of this Ordinance. The proceeds of sale of the Series 2017 Bonds shall be allocated and used as follows, or as set forth in the Sale Order:

First, any premium and accrued interest, if any, shall be deposited into the Bond and Interest Redemption Fund established by the Outstanding Ordinances.

Second, an amount necessary to fully fund the Bond Reserve Account shall be deposited into the Reserve Account in the Bond and Interest Redemption Fund.

Third, the amount of funds necessary to pay the costs of the Project, as set forth in the Sale Order, shall be deposited in the Series 2017 Bonds Construction Fund. Moneys in the Construction Fund shall be applied solely in payment of the cost of the acquisition and construction of the Project, including any engineering expenses incident thereto. Any payments for construction, either on account or otherwise, shall not be made unless the registered engineer in charge of such work shall file with the City Commission a signed statement to the effect that the work has been completed in accordance with the plans and specifications therefor; that it was done pursuant to and in accordance with the contract therefor (including properly authorized change orders), that the work is satisfactory and that any such work has not been previously paid for. The investment of the Bonds shall be limited as may be required by federal law.

Fourth, certain of the proceeds of the Series 2017 Bonds along with moneys on hand in the Bond and Interest Redemption Fund for the Refunded Bonds, if any, shall be deposited in an escrow fund or funds (the "Escrow Fund") consisting of cash and investments in direct obligations of or obligations of the principal of and interest on which are unconditionally guaranteed by the United States of America or other obligations the principal of and interest on which are fully secured by the foregoing not redeemable at the option of the Issuer in amounts fully sufficient to pay the principal and interest on the Refunded Bonds upon call for redemption. The Escrow Fund shall be held by the Escrow Agent pursuant to an escrow agreement (the "Escrow Agreement") which shall irrevocably direct the Escrow Agent to take all necessary steps to pay the principal of and interest on the Refunded Bonds when due and to call the Refunded Bonds for redemption on the first call date, as specified by the Issuer. The amounts held in the Escrow Fund shall be such that the cash and investments and income received thereon will be sufficient without reinvestment to pay the principal of and interest on the Refunded Bonds when due at maturity or by call for redemption as required by the Sale Order. The Authorized Officers are each authorized to negotiate and enter into an Escrow Agreement on behalf of the Issuer.

Fifth, the remaining proceeds of the Series 2017 Bonds shall be used to pay the costs of issuance of the Series 2017 Bonds.

Any unexpended balance of the proceeds of sale of the Bonds in the Construction Fund remaining after completion of the Project may, in the discretion of the Issuer, be used for further improvements and extensions to the system: provided, that, at the time of such expenditure, such use be approved by the Michigan Department of Treasury. Any remaining balance after such expenditure, or in the event no such expenditure is made, the entire unexpended balance shall be paid into the Bond and Interest Redemption Fund and used for the redemption or purchase of callable Bonds or for any other purpose permitted by Act 94. The proceeds of sale of said bonds may be invested in whole or in part in the manner provided by Act 94.

Section 14. Bond Form. The Series 2017 Bonds shall be in substantially the following form with such changes as may be approved by an Authorized Officer and Bond Counsel:

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF KALAMAZOO

CITY OF KALAMAZOO

WATER SUPPLY SYSTEM REVENUE AND REVENUE REFUNDING BOND, SERIES 2017

Interest Rate	Maturity Date	Date of Original Issue	CUSIP
	September 1, 20__	_____, 2017	

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

The City of Kalamazoo, County of Kalamazoo, State of Michigan (the "Issuer"), for value received, hereby promises to pay, solely and only out of the hereinafter described Net Revenues of the Issuer's Water Supply System (hereinafter defined) the Principal Amount shown above in lawful money of the United States of America to the Registered Owner shown above, or registered assigns, on the Maturity Date shown above, unless prepaid prior thereto as hereinafter provided, with interest thereon (computed on the basis of a 360-day year consisting of twelve 30-day months) from the Date of Original Issue shown above or such later date to which interest has been paid, until paid, at the Interest Rate per annum shown above, first payable on September 1, 2017, and semiannually thereafter. Principal of this bond is payable upon surrender of this bond at the corporate trust office of The Bank of New York Mellon Trust Company, N.A., Detroit, Michigan (the "Transfer Agent") or such other Transfer Agent as the Issuer may hereafter designate by notice mailed to the registered owner not less than 60 days prior to any interest payment date. Interest on this bond is payable by check or draft mailed by the Transfer Agent to the person or entity who is, as of the 15th day of the month preceding the interest payment date, the registered owner of record, at the registered address as shown on the registration books of the Issuer kept by the Transfer Agent. For prompt payment of principal and interest on this bond, the Issuer has irrevocably pledged the revenues of the Water Supply System of the Issuer, including all appurtenances, extensions and improvements thereto (the "System"), after provision has been made for reasonable and necessary expenses of operation, maintenance and administration (the "Net Revenues"), and a statutory first lien thereon is hereby recognized and created.

This bond is one of a series of bonds of even Date of Original Issue aggregating the principal sum of $_____, issued pursuant to Ordinances Nos. 1539, 1765, 1814, 1827, 1891, 1919, 1933 and ___ of the Issuer, duly adopted by the City Commission of the Issuer (together,

the "Ordinances"), and under and in full compliance with the Constitution and statutes of the State of Michigan, including specifically Act 94, Public Acts of Michigan, 1933, as amended, for the purpose of paying the cost of (a) refunding certain of the Issuer's outstanding Water Supply System Revenue and Revenue Refunding Bonds, Series 2006 and Water Supply System Revenue Bonds, Series 2007; and (b) paying the cost of acquiring and constructing additions, extensions and improvements to the System.

For a complete statement of the revenues from which and the conditions under which this bond is payable, a statement of the conditions under which additional bonds of equal standing as to the Net Revenues may hereafter be issued and the general covenants and provisions pursuant to which this bond is issued, reference is made to the above-described Ordinances. The bonds of this issue are of equal standing and priority of lien as to the Net Revenues with the Issuer's (a) Water Supply System Revenue Bonds, Series 2007 in the outstanding principal amount of $65,000, (b) Water Supply System Revenue Refunding Bonds, Series 2012 in the outstanding principal amount of $1,765,000, (c) Water Supply System Revenue Refunding Bonds, Series 2014 in the outstanding principal amount of $10,605,000, and (d) Water Supply System Revenue Bonds, Series 2015 in the outstanding principal amount of $2,920,000 (together the "Outstanding Bonds").

Bonds of this issue maturing in the years 2017 to 2026, inclusive, are not subject to redemption prior to maturity. Bonds or portions of bonds in multiples of $5,000 maturing in the year 2027 and thereafter may be redeemed at the option of the Issuer, in such order as the Issuer shall determine and within any maturity by lot, on any date on or after September 1, 2026 at par and accrued interest to the date fixed for redemption.

[insert any mandatory redemption provisions]

In case less than the full amount of an outstanding bond is called for redemption the Transfer Agent upon presentation of the bond called in part for redemption shall register, authenticate and deliver to the registered owner a new bond in the principal amount of the portion of the original bond not called for redemption.

Notice of redemption of any bond or portion thereof shall be given by the Transfer Agent at least thirty (30) days prior to the date fixed for redemption by mail to the registered owner at the registered address shown on the registration books kept by the Transfer Agent. Bonds shall be called for redemption in multiples of $5,000 and any bond of a denomination of more than $5,000 shall be treated as representing the number of bonds obtained by dividing the denomination of the bond by $5,000 and such bond may be redeemed in part. Notice of redemption for a bond redeemed in part shall state that upon surrender of the bond to be redeemed a new bond or bonds in aggregate principal amount equal to the unredeemed portion of the bonds surrendered shall be issued to the registered owner thereof. No further interest on a bond or portion thereof called for redemption shall accrue after the date fixed for redemption, whether presented for redemption or not, provided funds are on hand with the Transfer Agent to redeem the bond or portion thereof.

This bond is a self-liquidating bond and is not a general obligation of the Issuer and does not constitute an indebtedness of the Issuer within any constitutional, statutory or charter debt

limitation of the Issuer but is payable solely and only, both as to principal and interest, from the Net Revenues of the System. The principal of and interest on this bond are secured by the statutory lien hereinbefore mentioned.

The Issuer has covenanted and agreed, and does hereby covenant and agree, to fix and maintain at all times while any bonds payable from the Net Revenues of the System shall be outstanding, such rates for service furnished by the System as shall be sufficient to provide for payment of the interest on and the principal of the bonds of this issue, the Outstanding Bonds and any additional bonds of equal standing as and when the same shall become due and payable, and to create and maintain a bond redemption fund (including a bond reserve account) therefor, to provide for the payment of expenses of administration and operation and such expenses for maintenance of the System as are necessary to preserve the same in good repair and working order, and to provide for such other expenditures and funds for the System as are required by the Ordinances.

This bond is transferable only upon the books of the Issuer kept for that purpose at the office of the Transfer Agent by the registered owner hereof in person, or by the registered owner's attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer satisfactory to the Transfer Agent duly executed by the registered owner or the registered owner's attorney duly authorized in writing, and thereupon a new registered bond or bonds in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor as provided in the Ordinances authorizing the bonds, and the Outstanding Bonds, and upon the payment of the charges, if any, therein prescribed.

It is hereby certified and recited that all acts, conditions and things required by law precedent to and in the issuance of this bond and the series of bonds of which this is one have been done and performed in regular and due time and form as required by law.

This bond is not valid or obligatory for any purpose until the Transfer Agent's Certificate of Authentication on this bond has been executed by the Transfer Agent.

IN WITNESS WHEREOF, the City of Kalamazoo, County of Kalamazoo, State of Michigan, by its City Commission, has caused this bond to be executed with the facsimile signatures of its Mayor and its City Clerk and a facsimile of its corporate seal to be printed on this bond, all as of the Date of Original Issue.

CITY OF KALAMAZOO

By: _____
Mayor

(Seal)

Countersigned:

_____
City Clerk

Certificate of Authentication

This bond is one of the bonds described in the within-mentioned Ordinances.

The Bank of New York Mellon Trust Company, N.A.
Detroit, Michigan
Transfer Agent

By: _____
Authorized Signatory

Date of Registration: _____

Section 15. Adjustment of Bond Terms. The Authorized Officers are each hereby authorized to adjust the final bond details as set forth herein to the extent necessary or convenient to complete the sale of the Series 2017 Bonds and in pursuance of the forgoing is each authorized to exercise the authority and make the determinations pursuant to Sections 7a(1)(c) of Act 94, including but not limited to determinations regarding interest rates, prices, discounts, maturities, principal amounts, denominations, date of issuance, interest payment dates, redemption rights and other matters within the parameters established by this Ordinance.

Section 16. Authorization for Negotiated Sale. The City has considered the option of selling the Series 2017 Bonds through a competitive sale and a negotiated sale and determines that a negotiated sale of the Series 2017 Bonds will allow more flexibility in accessing the municipal bond market, and to price and sell the Series 2017 Bonds at the time that is expected to best achieve the most advantageous interest rates and costs to the City, and will provide the City with greater flexibility in structuring bond maturities and adjust terms for the Series 2017 Bonds.

Section 17. Selection of Purchaser; Bond Purchase Agreement and Award. The Authorized Officers are each hereby authorized on behalf of the City to select an underwriter or purchaser for the Bonds, to negotiate and execute a bond purchase agreement with the purchaser, to execute a Sale Order evidencing the final terms for the Series 2017 Bonds, and to take all other necessary actions required to effectuate the sale, issuance and delivery of the Series 2017 Bonds within the parameters authorized in this Ordinance, provided that (i) the Series 2017 Bonds shall be sold at a price not less than 98.0% of par, (ii) the maximum underwriter's discount shall not exceed $6.00 per $1,000 of the Series 2017 Bonds, and (iii) there shall be net present value savings to the City resulting from the issuance of the Series 2017 Bonds.

Section 18. Tax Covenant. The Issuer shall, to the extent permitted by law, take all actions within its control necessary to maintain the exclusion of the interest on the Series 2017 Bonds from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"), including, but not limited to, actions relating to any required rebate of arbitrage earnings and the expenditures and investment of Series 2017 Bonds proceeds and moneys deemed to be Series 2017 Bonds proceeds.

Section 19. Continuing Disclosure. The City covenants to enter into a continuing disclosure undertaking for the benefit of the holders and beneficial owners of the Series 2017 Bonds in accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, and the Authorized Officers are each hereby authorized to execute such undertaking prior to delivery of the Series 2017 Bonds.

Section 20. Other Matters. The Authorized Officers are each authorized and directed to (a) approve the circulation of a preliminary official statement describing the Series 2017 Bonds and to deem the preliminary official statement "final" for purposes of Rule 15c2-12 of the SEC; (b) solicit bids for and approve the purchase of a municipal bond insurance policy for the Series 2017 Bonds; (c) apply for ratings on the Series 2017 Bonds; and (d) do all other acts and take all other necessary procedures required to effectuate the sale, issuance and delivery of the Series 2017 Bonds.

Section 21. Appointment of Bond Counsel. The appointment of the law firm of Miller, Canfield, Paddock and Stone, P.L.C. of Detroit, Michigan, as Bond Counsel for the Bonds is hereby confirmed, notwithstanding its periodic representation in unrelated matters of the underwriter or purchaser and other parties and potential parties to the issuance of the Series 2017 Bonds.

Section 22. Appointment of Placement Agent. Robert W. Baird & Co. Incorporated, Traverse City, Michigan, is hereby appointed as Placement Agent for the Bonds.

Section 23. Savings Clause. The Outstanding Ordinances shall continue in effect, except as specifically supplemented or altered herein.

Section 24. Severability; Paragraph Headings; and Conflict. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance. The paragraph headings in this Ordinance are furnished for convenience of reference only and shall not be considered to be part of this Ordinance.

Section 25. Publication and Recordation. This Ordinance shall be published in full in the ***Kalamazoo Gazette***, a newspaper of general circulation in the City, qualified under State law to publish legal notices, promptly after its adoption, and shall be recorded in the Ordinance Book of the Issuer and such recording authenticated by the signatures of the Mayor and City Clerk.

Section 26. Effective Date. Pursuant to the provisions of Section 6 of Act 94, this Ordinance shall be approved on the date of first reading and accordingly this Ordinance shall immediately be effective upon its adoption.

Adopted and signed this 6th day of March, 2017.

Signed: _____
Mayor

Signed: _____
City Clerk

I hereby certify that the foregoing constitutes a true and complete copy of an Ordinance duly adopted by the City Commission of the City of Kalamazoo, County of Kalamazoo, Michigan, at a regular meeting held on the 6th day of March, 2017, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

I further certify that the following Members were present at said meeting: _____ _____ and that the following Members were absent: _____.

I further certify that Member _____ moved adoption of said Ordinance, and that said motion was supported by Member _____.

I further certify that the following Members voted for adoption of said Ordinance: _____ and that the following Members voted against adoption of said Ordinance: _____ _____.

I further certify that said Ordinance has been recorded in the Ordinance Book and that such recording has been authenticated by the signatures of the Mayor and City Clerk.

_____
City Clerk

28574994.1\046053-00213

Commission Agenda Report

City of Kalamazoo

TO: Mayor Hopewell, Vice Mayor Cooney, and City Commissioners

FROM: James K. Ritsema, ICMA-CM, City Manager

PREPARED BY: Thomas C. Skrobola, Director of Management Services/Chief Financial Officer

DATE: 2/24/2017

SUBJECT: Resolution Authorizing 2017 Capital Improvement and Refunding Bonds (Limited Tax General Obligation)

RECOMMENDATION

It is recommended that the City Commission adopt a Resolution for the issuance of General Obligation Limited Tax Bonds in an amount not to exceed $9 million, for the purpose of financing FY 2017 capital projects.

BACKGROUND

On February 6, 2017 the City Commission adopted a Notice of Intent Resolution to issue Series 2017 Capital Improvement Bonds. This Resolution initiated the process of issuing debt to finance the City's FY 2017 Capital Improvement program, in accordance with the Adopted FY 2017 Budget.

Under the provisions of the Resolution and State law, the public was notified of the City's intent to issue this debt, and has been provided with a 45-day period to circulate petitions for a referendum. That 45-day period will expire in March; if that occurs with no petition having been issued to the City, the City will be authorized to issue this debt at that time.

COMMUNITY RESOURCES CONSULTED

The FY 2017 Capital Budget was presented and approved as part of the 2017 annual budget process and reviewed and approved by the City Planning Commission.

FISCAL IMPACT

The City's debt limit is capped by statutory and constitutional debt provisions. The formula for determining the City's debt limit is as follows:

City's 2017 **estimated** Ad Valorem SEV	$1,652,847,873	
Plus Half of **estimated** Act 198 Property....	17,195,758	
Plus for Revenue Sharing (1).....	623,793,406	
Total **estimated** 2017 SEV Value	$2,293,837,037	
Debt Limit (2)		$ 229,383,703
Debt Outstanding	166,350,000	

Less: Exempt Debt (3).....	28,675,000	137,675,000
Legal Debt Margin.....		$ 91,708,703

(1) Budgeted 2017 constitutional and statutory revenue sharing of $8,608,349 divided by the City's 2017 millage rate of 13.8000 mills.
(2) 10% of $2,293,837,037 which is the City's 2017 estimated Ad Valorem SEV for the fiscal year ending December 31, 2017 of $1,652,847,873, plus half of the SEV abated under Act 198 of $17,195,758 and plus revenue sharing of $623,793,406 which is the budgeted 2017 constitutional and statutory revenue sharing of $8,608,349 divided by the City's 2017 millage rate of 13.8000 mills.
(3) See "Statutory and Constitutional Debt Provisions" herein.

The annual debt service on this bond issue is included in the City's Adopted FY 2016 Budget.

ALTERNATIVES

Not approving the Resolution is not recommended, because the City would not be able to finance the Adopted FY 2017 Budget Capital Improvement plan.

ATTACHMENTS:

Type	Description
Resolution	City of Kalamazoo - 2017 Capital Improvement Bond Authorizing Resolution

RESOLUTION AUTHORIZING
2017 CAPITAL IMPROVEMENT BONDS
(LIMITED TAX GENERAL OBLIGATION)

City of Kalamazoo
County of Kalamazoo, State of Michigan

Minutes of a regular meeting of the City Commission of the City of Kalamazoo, County of Kalamazoo, State of Michigan (the "City"), held on March 6, 2017, at 7:00 o'clock p.m., Eastern Time.

PRESENT: Members: _____

_____

ABSENT: Members: _____

The following preamble and resolution were offered by Member _____ and supported by Member _____:

WHEREAS, the City does hereby determine that it is necessary to pay all or part of the costs of certain public improvements in the City, including: a) acquiring and constructing major street and local street and bridge improvements, including intersection and traffic signal upgrades; b) acquiring, constructing, furnishing and equipping city hall facility and parking improvements; c) acquiring and constructing park improvements; d) acquiring and constructing golf course irrigation improvements and equipment; e) acquiring and constructing parking system improvements and equipment; f) acquiring information technology equipment; and g) acquiring public safety and public services department equipment; including all related equipment, site improvements, appurtenances and attachments (the "Projects"); and

WHEREAS, the cost of the Projects are estimated to be approximately Nine Million Dollars ($9,000,000); and

WHEREAS, to finance the cost of the Projects, the City Commission deems it necessary to borrow the principal amount of not to exceed Nine Million Dollars ($9,000,000) and issue capital improvement bonds pursuant to Act 34, Public Acts of Michigan, 2001, as amended ("Act 34") to pay the cost of the Projects; and

WHEREAS, a notice of intent for bonds was published in accordance with Act 34 which provides that the capital improvement bonds may be issued without a vote of the electors of the City unless a proper petition for an election on the question of the issuance of the bonds is filed with the City Clerk within a period of forty-five (45) days from the date of publication and as of this date no petition has been filed with the Clerk.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Authorization of Bonds; Bond Terms. Bonds of the City designated 2017 CAPITAL

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

IMPROVEMENT BONDS (LIMITED TAX GENERAL OBLIGATION) (the "Bonds") are authorized to be issued in the aggregate principal sum of not to exceed Nine Million Dollars ($9,000,000) for the purpose of paying the cost of the Projects, including the costs incidental to the issuance, sale and delivery of the Bonds. The issue shall consist of bonds in fully-registered form of the denomination of $5,000, or multiples thereof not exceeding for each maturity the maximum principal amount of that maturity, numbered consecutively in order of registration, dated as of the date of delivery. The Bonds shall bear interest, mature and be payable at the times and in the manner set forth in Sections 6 and 7.

The Bonds shall be sold at public sale at a price not less than 98.0% of the principal amount thereof.

The Bonds shall be subject to redemption prior to maturity in the manner and at the times and prices set forth in Sections 6 and 7 hereof and if term bonds are selected by the original purchaser of the bonds, then the bonds will be subject to mandatory redemption in accordance with the foregoing maturity schedule at par.

Interest shall be payable to the registered owner of record as of the 15th day of the month prior to the payment date for each interest payment. The record date of determination of registered owner for purposes of payment of interest as provided in this paragraph may be changed by the City to conform to market practice in the future. Interest shall be payable to the registered owner of record as of the 15th day of the month preceding the payment date for each interest payment. The principal of the Bonds shall be payable at The Bank of New York Mellon Trust Company, N.A., Detroit, Michigan who is hereby selected to act as the transfer agent for the bonds (the "Transfer Agent").

The Bonds may be issued in book-entry only form through The Depository Trust Company in New York, New York ("DTC") and the City Manager and Director of Management Services and Chief Financial Officer are each authorized to execute such custodial or other agreement with DTC as may be necessary to accomplish the issuance of the Bonds in book-entry only form and to make such changes in the Bond Form within the parameters of this resolution as may be required to accomplish the foregoing.

2. Execution of Bonds. The Bonds of this issue shall be executed in the name of the City with the manual or facsimile signatures of the Mayor and City Clerk of the City and shall have the seal of the City, or a facsimile thereof, printed or impressed on the Bonds. No Bond shall be valid until authenticated by an authorized officer or representative of the Transfer Agent. The Bonds shall be delivered to the Transfer Agent for authentication and be delivered by the Transfer Agent to the purchaser or other person in accordance with instructions from the Director of Management Services and Chief Financial Officer of the City upon payment of the purchase price for the Bonds in accordance with the bid therefor when accepted.

3. Transfer of Bonds. The Transfer Agent shall keep the books of registration for this issue on behalf of the City. Any Bond may be transferred upon such registration books by the registered owner of record, in person or by the registered owner's duly authorized attorney, upon surrender of the Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Transfer Agent. Whenever any Bond or Bonds shall be surrendered for transfer, the City shall execute and the Transfer Agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount. The Transfer Agent shall require the payment by the bondholder requesting the transfer of any tax or other governmental charge required to be paid with respect to the transfer.

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

Unless waived by any registered owner of Bonds to be redeemed, official notice of redemption shall be given by the Transfer Agent on behalf of the City. Such notice shall be dated and shall contain at a minimum the following information: original issue date; maturity dates; interest rates; CUSIP numbers, if any; certificate numbers (and in the case of partial redemption) the called amounts of each certificate; the place where the Bonds called for redemption are to be surrendered for payment; and that interest on the Bonds or portions thereof called for redemption shall cease to accrue from and after the redemption date.

In addition, further notice shall be given by the Transfer Agent in such manner as may be required or suggested by regulations or market practice at the applicable time, but no defect in such further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed herein.

4. Limited Tax Pledge; Debt Retirement Fund; Defeasance of Bonds. The City hereby pledges its limited tax full faith and credit for the prompt payment of the Bonds. The City shall, each year budget the amount of the debt service coming due in the next fiscal year on the principal of and interest on the Bonds and shall advance as a first budget obligation from its general funds available therefor, or, if necessary, levy taxes upon all taxable property in the City subject to applicable constitutional, statutory and charter tax rate limitations, such sums as may be necessary to pay such debt service in said fiscal year.

The Treasurer is authorized and directed to open a depositary account with a bank or trust company designated by the City Commission, to be designated 2017 CAPITAL IMPROVEMENT BONDS (LIMITED TAX GENERAL OBLIGATION) DEBT RETIREMENT FUND (the "Debt Retirement Fund"), the moneys to be deposited into the Debt Retirement Fund to be specifically earmarked and used solely for the purpose of paying principal of and interest on the Bonds as they mature.

In the event cash or direct obligations of the United States or obligations the principal of and interest on which are guaranteed by the United States, or a combination thereof, the principal of and interest on which, without reinvestment, come due at times and in amounts sufficient to pay at maturity or irrevocable call for earlier optional redemption, the principal of, premium, if any, and interest on the Bonds, shall be deposited in trust, this resolution shall be defeased and the owners of the Bonds shall have no further rights under this resolution except to receive payment of the principal of, premium, if any, and interest on the Bonds from the cash or securities deposited in trust and the interest and gains thereon and to transfer and exchange Bonds as provided herein.

5. Construction Fund; Proceeds of Bond Sale. The Treasurer is authorized and directed to open a separate depositary account with a bank or trust company designated by the City Commission, to be designated 2017 CAPITAL IMPROVEMENT BONDS (LIMITED TAX GENERAL OBLIGATION) CONSTRUCTION FUND (the "Construction Fund") and deposit into said Construction Fund the proceeds of the Bonds less accrued interest, if any, which shall be deposited into the Debt Retirement Fund. The moneys in the Construction Fund shall be used solely to pay the costs of the Projects and the costs of issuance of the Bonds.

6. Bond Form. The Bonds shall be in substantially the following form:

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF KALAMAZOO

CITY OF KALAMAZOO

2017 CAPITAL IMPROVEMENT BOND
(LIMITED TAX GENERAL OBLIGATION)

Interest Rate	Maturity Date	Date of Original Issue	CUSIP
	October 1, _____	_____, 2017	

Registered Owner:

Principal Amount: Dollars

The City of Kalamazoo, County of Kalamazoo, State of Michigan (the "City"), acknowledges itself to owe and for value received hereby promises to pay to the Registered Owner specified above, or registered assigns, the Principal Amount specified above, in lawful money of the United States of America, on the Maturity Date specified above, unless prepaid prior thereto as hereinafter provided, with interest thereon (computed on the basis of a 360-day year consisting of twelve 30-day months) from the Date of Original Issue specified above or such later date to which interest has been paid, until paid, at the Interest Rate per annum specified above, first payable on October 1, 2017 and semiannually thereafter. Principal of this bond is payable at the corporate trust office of The Bank of New York Mellon Trust Company N.A., Detroit, Michigan, or such other transfer agent as the City may hereafter designate by notice mailed to the registered owner not less than sixty (60) days prior to any interest payment date (the "Transfer Agent"). Interest on this bond is payable to the registered owner of record as of the fifteenth (15^{th}) day of the month preceding the interest payment date as shown on the registration books of the City kept by the Transfer Agent by check or draft mailed to the registered owner of record at the registered address. For prompt payment of this bond, both principal and interest, the full faith, credit and resources of the City are hereby irrevocably pledged.

This bond is one of a series of bonds aggregating the principal sum of $9,000,000, issued for the purpose of paying the cost of certain capital improvements for the City. This bond is issued under the provisions of Act 34, Public Acts of Michigan, 2001, as amended and a duly adopted resolution of the City.

Bonds of this issue maturing in the years 2017 to 2026, inclusive, shall not be subject to redemption prior to maturity. Bonds or portions of bonds of this issue in multiples of $5,000 maturing in the year 2027 and thereafter shall be subject to redemption prior to maturity, at the option of the City, in any order of maturity and by lot within any maturity, on any date on or after October 1, 2026, at par and accrued interest to the date fixed for redemption.

In case less than the full amount of an outstanding bond is called for redemption, the Transfer Agent, upon presentation of the bond called in part for redemption, shall register, authenticate and deliver to the registered owner of record a new bond in the principal amount of the portion of the

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

original bond not called for redemption.

Notice of redemption shall be given to the registered owner of any bond or portion thereof called for redemption by mailing of such notice not less than thirty (30) days prior to the date fixed for redemption to the registered address of the registered owner of record. A bond or portion thereof so called for redemption shall not bear interest after the date fixed for redemption provided funds are on hand with the Transfer Agent to redeem said bond or portion thereof.

This bond is transferable only upon the registration books of the City kept by the Transfer Agent by the registered owner of record in person, or by the registered owner's attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer satisfactory to the Transfer Agent duly executed by the registered owner or the registered owner's attorney duly authorized in writing, and thereupon a new registered bond or bonds in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor as provided in the resolution authorizing this bond and upon the payment of the charges, if any, therein prescribed.

This bond, including the interest thereon, is payable as a first budget obligation from the general funds of the City, and the City is required, if necessary, to levy ad valorem taxes on all taxable property in the City for the payment thereof, subject to applicable constitutional, statutory and charter tax rate limitations.

It is hereby certified and recited that all acts, conditions and things required by law to be done, precedent to and in the issuance of this bond and the series of bonds of which this is one, exist and have been done and performed in regular and due form and time as required by law, and that the total indebtedness of the City, including this bond, does not exceed any constitutional, statutory or charter debt limitation.

This bond is not valid or obligatory for any purpose until the Transfer Agent's Certificate of Authentication on this bond has been executed by the Transfer Agent.

IN WITNESS WHEREOF, the City of Kalamazoo, by its City Commission, has caused this bond to be signed in the name of the City by the facsimile signatures of its Mayor and City Clerk and a facsimile of its corporate seal to be printed hereon, all as of the Date of Original Issue.

CITY OF KALAMAZOO
County of Kalamazoo
State of Michigan

By: _____
Its: Mayor

(SEAL)

By: _____
Its: City Clerk

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

(Form of Transfer Agent's Certificate of Authentication)

DATE OF AUTHENTICATION:

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within-mentioned resolution.

The Bank of New York Mellon Trust Company, N.A.
Detroit, Michigan
Transfer Agent

By: _____
Authorized Signatory

[Bond printer to insert form of assignment]

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

7. Notice of Sale. The City Clerk is authorized to fix a date of sale for the Bonds and to publish a notice of sale of the Bonds in ***The Bond Buyer***, New York, New York, which notice of sale shall be in substantially the following form:

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

OFFICIAL NOTICE OF SALE

$9,000,000*
(Preliminary, subject to change)
CITY OF KALAMAZOO
COUNTY OF KALAMAZOO, STATE OF MICHIGAN
2017 CAPITAL IMPROVEMENT BONDS
(LIMITED TAX GENERAL OBLIGATION)

SEALED BIDS for the purchase of the above bonds will be received by the undersigned at the Offices of the Director of Management Services and Chief Financial Officer located at the Kalamazoo City Hall, 241 W. South Street, Kalamazoo, Michigan 49007 on Tuesday, the __th day of April, 2017 until 11:00 a.m., prevailing Eastern Time, at which time and place said bids will be publicly open and read.

SEALED BIDS will also be received in the alterative on the same date and until the same time at the offices of the Municipal Advisory Council of Michigan (the "MAC"), Buhl Building, 535 Griswold, Suite 1850, Detroit, Michigan 48226, when, simultaneously, the bids will be opened and read.

FAXED BIDS: Signed bids may be submitted by fax to the City at fax number (269) 337-8448, Attention: City Clerk and by MAC members only to the MAC at (313) 963-0943, provided that faxed bids must arrive before the time of sale and the bidder bears all risks of transmission failure and the GOOD FAITH DEPOSIT MUST BE MADE AND RECEIVED as described in the Section "GOOD FAITH" below.

ELECTRONIC BIDS: Electronic bids will also be received on the same date and until the same time by Bidcomp/Parity as agent of the undersigned. Further information about Bidcomp/Parity, including any fee charged, may be obtained from Bidcomp/Parity, Anthony Leyden or CLIENT SERVICES, 1359 Broadway, Second Floor, New York, New York 10010, (212) 849-5021. IF ANY PROVISION OF THIS NOTICE OF SALE SHALL CONFLICT WITH INFORMATION PROVIDED BY BIDCOMP/PARITY, AS THE APPROVED PROVIDER OF ELECTRONIC BIDDING SERVICES, THIS NOTICE SHALL CONTROL.

Bidders may choose any means or location to present bids but a bidder may not present a bid in more than one location or by more than one means.

BOND DETAILS: The bonds will be registered bonds of the denomination of $5,000 or multiples thereof not exceeding for each maturity the maximum principal amount of that maturity, originally dated as of the date of initial delivery, numbered in order of registration, and will bear interest from their date payable on October 1, 2017, and semiannually thereafter.

The bonds will mature on the 1st day of October in each of the years, as follows:

2017
2018
2019
2020
2021
2022

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

2023
2024
2025
2026
2027
2028
2029
2030
2031

ADJUSTMENT TO MATURITY: The City reserves the right to increase or decrease the amount of any principal maturity of the bonds after receipt of the bids and prior to the final award. Such adjustment, if necessary, will be made in increments of $5,000.

INTEREST RATE AND BIDDING DETAILS: The bonds shall bear interest at rate or rates not exceeding 6% per annum, to be fixed by the bids therefor, expressed in multiples of 1/8 or 1/20 of 1%, or both. The interest on any one bond shall be at one rate only and all bonds maturing in any one year must carry the same interest rate. The difference between the highest and lowest interest rates bid shall not exceed four percent (4%) per annum. THE INTEREST RATE FOR EACH SERIAL OR TERM BOND MATURITY SHALL BE EQUAL TO OR GREATER THAN THE PRECEDING SERIAL OR TERM BOND MATURITY. No proposal for the purchase of less than all of the bonds or at a price less than 98.0% of their par value will be considered.

PRIOR REDEMPTION OF BONDS: Bonds maturing in the years 2017 to 2026 inclusive, shall not be subject to redemption prior to maturity. Bonds or portions of bonds in multiples of $5,000 maturing in the year 2027 and thereafter shall be subject to redemption prior to maturity, at the option of the City, in any order of maturity and by lot within any maturity, on any date on or after October 1, 2026, at par and accrued interest to the date fixed for redemption.

In case less than the full amount of an outstanding bond is called for redemption, the transfer agent, upon presentation of the bond called for redemption, shall register, authenticate and deliver to the registered owner of record a new bond in the principal amount of the portion of the original bond not called for redemption.

Notice of redemption shall be given to the registered owner of any bond or portion thereof called for redemption by mailing of such notice not less than thirty (30) days prior to the date fixed for redemption to the registered address of the registered owner of record. A bond or portion thereof so called for redemption shall not bear interest after the date fixed for redemption provided funds are on hand with the transfer agent to redeem said bond or portion thereof.

TERM BOND OPTION: The initial purchaser of the bonds may designate any one or more maturities from October 1, 2017 through the final maturity as term bonds and the consecutive maturities on or after the year 2017 which shall be aggregated in the term bonds. The amounts of the maturities which are aggregated in a designated term bond shall be subject to mandatory redemption on October 1 of the years and in the amounts set forth in the above maturity schedule at a redemption price of par, plus accrued interest to the date of mandatory redemption. Term bonds or portions thereof mandatorily redeemed shall be selected by lot. Any such designation must be made at the time bids are submitted and must be listed on the bid.

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

BOOK-ENTRY ONLY: The bonds will be issued in book-entry only form as one fully registered bond per maturity and will be registered in the name of Cede & Co., as bondholder and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the bonds. Purchase of the bonds will be made in book-entry-only form, in the denomination of $5,000 or any multiple thereof. Purchasers will not receive certificates representing their interest in bonds purchased. It will be the responsibility of the purchaser to obtain DTC eligibility. Failure of the purchaser to obtain DTC eligibility shall not constitute cause for a failure or refusal by the purchaser to accept delivery of and pay for the bonds.

TRANSFER AGENT AND REGISTRATION: Principal shall be payable at the principal corporate trust office of The Bank of New York Mellon Trust Company, N.A., Detroit, Michigan, or such other transfer agent as the City may hereafter designate by notice mailed to the registered owner of record not less than 60 days prior to an interest payment date. Interest shall be paid by check mailed to the registered owner of record as shown on the registration books of the City as of the 15th day prior to an interest payment date. The bonds will be transferred only upon the registration books of the City kept by the transfer agent.

PURPOSE AND SECURITY: The bonds are authorized for the purpose of paying the cost of acquiring and constructing certain capital improvements for the City. The bonds will be a first budget obligation of the City, payable from the general funds of the City including the collection of ad valorem taxes on all taxable property in the City subject to applicable constitutional, statutory and charter tax rate limitations. The rights or remedies of bondholders may be affected by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditors' rights generally now existing or hereafter enacted and by the application of general principles of equity including those relating to equitable subordination.

GOOD FAITH: A good faith deposit in the form of a certified or cashier's check drawn upon an incorporated bank or trust company, or wire transfer, in the amount of $_____ payable to the order of the Treasurer of the City will be required of the successful bidder. The successful bidder is required to submit its good faith deposit to the City as instructed by the City not later than Noon, prevailing Eastern Time, on the next business day following the sale. The good faith deposit will be applied to the purchase price of the bonds. In the event the purchaser fails to honor its accepted bid, the good faith deposit will be retained by the City. No interest shall be allowed on the good faith check. The good faith check of the successful bidder will be cashed and payment for the balance of the purchase price of the bonds shall be made at the closing.

AWARD OF BONDS: The bonds will be awarded to the bidder whose bid produces the lowest true interest cost determined in the following manner: the lowest true interest cost will be the single interest rate (compounded on October 1, 2017 and semi-annually thereafter) necessary to discount the debt service payments from their respective payment date to _____, 2017, in an amount equal to the price bid, excluding accrued interest. Each bidder shall state in its bid the true interest cost to the City, computed in the manner specified above.

TAX MATTERS: In the opinion of Miller, Canfield, Paddock and Stone, P.L.C., bond counsel, under existing law, assuming compliance with certain covenants, interest on the bonds is excludable from gross income for federal income tax purposes as described in the opinion, and the bonds and interest thereon are exempt from all taxation by the State of Michigan or any taxing authority within the State of Michigan except inheritance and estate taxes and taxes on gains realized from the sale, payment or other disposition thereof. The successful bidder will be required to furnish, at delivery of the bonds, a

certificate in a form acceptable to bond counsel as to the "issue price" of the bonds within the meaning of Section 1273 of the Internal Revenue Code of 1986, as amended (the "Code"). Such certificate will include (i) for those maturities where 10% of each such maturity of the bonds has been sold to members of the general public (excluding underwriters, brokers and dealers) prior to delivery of the bonds, the price at which the first 10% of each such maturity was sold to members of the general public, and (ii) for those maturities where 10% of such maturity has not been sold to members of the general public (excluding underwriters, brokers and dealers) prior to delivery of the bonds, an agreement by the successful bidder to provide bond counsel with the prices at which the first 10% of each such maturity is ultimately sold to members of the general public.

NOT "QUALIFIED TAX EXEMPT OBLIGATIONS": The City has not designated the bonds as "Qualified Tax Exempt Obligations" for purposes of the deduction of interest expense by financial institutions pursuant to the Code.

LEGAL OPINION: Bids shall be conditioned upon the approving opinion of Miller, Canfield, Paddock and Stone, P.L.C., attorneys of Detroit, Michigan, a copy of which opinion will be furnished without expense to the purchaser of the bonds at the delivery thereof. The fees of Miller, Canfield, Paddock and Stone, P.L.C. for services rendered in connection with such approving opinion are expected to be paid from bond proceeds. Except to the extent necessary to issue its approving opinion as to validity of the above bonds, Miller, Canfield, Paddock and Stone, P.L.C. has not been requested to examine or review and has not examined or reviewed any financial documents, statements or materials that have been or may be furnished in connection with the authorization, issuance or marketing of the bonds, and accordingly will not express any opinion with respect to the accuracy or completeness of any such financial documents, statements or materials.

DELIVERY OF BONDS: The City will furnish bonds ready for execution at its expense. Bonds will be delivered without expense to the purchaser through DTC in New York, New York, or such other place to be agreed upon. The usual closing documents, including a certificate that no litigation is pending affecting the issuance of the bonds, will be delivered at the time of delivery of the bonds. If the bonds are not tendered for delivery by twelve o'clock noon, prevailing Eastern Time, on the 45th day following the date of sale, or the first business day thereafter if said 45th day is not a business day, the successful bidder may on that day, or any time thereafter until delivery of the bonds, withdraw its proposal by serving notice of cancellation, in writing, on the undersigned in which event the City shall promptly return the good faith deposit. Payment for the bonds shall be made in Federal Reserve Funds. Accrued interest to the date of delivery of the bonds shall be paid by the purchaser at the time of delivery.

CUSIP NUMBERS: It is anticipated that CUSIP identification numbers will be printed on the bonds, but neither the failure to print such numbers on any bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the bonds in accordance with terms of the purchase contract. All expenses in relation to the printing of CUSIP numbers on the bonds shall be paid for by the City; provided, however, that the CUSIP Service Bureau charge for the assignment of such numbers shall be the responsibility of and shall be paid for by the purchaser.

OFFICIAL STATEMENT: A preliminary Official Statement that the City deems to be final as of its date, except for the omission of information permitted to be omitted by Rule 15c2-12 of the Securities and Exchange Commission, has been prepared and may be obtained from Robert W. Baird & Co. Incorporated, financial advisors to the City, at the address and telephone listed under FINANCIAL

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

ADVISOR below. Robert W. Baird & Co. Incorporated, will provide the winning bidder with 100 final Official Statements within 7 business days from the date of sale to permit the purchaser to comply with Securities and Exchange Commission Rule 15c2-12. Additional copies of the Official Statement will be supplied by Robert W. Baird & Co. Incorporated, upon request and agreement by the purchaser to Robert W. Baird & Co. Incorporated, within 24 hours of the time of sale.

BOND INSURANCE AT PURCHASER'S OPTION: If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the bidder/purchaser, the purchase of any such insurance policy or the issuance of any such commitment shall be at the option and expense of the purchaser of the Bonds. Any and all increased costs of issuance of the Bonds resulting from such purchase of insurance shall be paid by the purchaser, except that if the City has requested and received a rating on the Bonds from a rating agency, the City shall pay the fee for the requested rating. Any other rating agency fees shall be the responsibility of the purchaser. FAILURE OF THE MUNICIPAL BOND INSURER TO ISSUE THE POLICY AFTER THE BONDS HAVE BEEN AWARDED TO THE PURCHASER SHALL NOT CONSTITUTE CAUSE FOR FAILURE OR REFUSAL BY THE PURCHASER TO ACCEPT DELIVERY OF THE BONDS FROM THE CITY.

CONTINUING DISCLOSURE: As described more fully in the Official Statement, the City has agreed to provide or cause to be provided, in accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, on or prior to the sixth month after the end of each fiscal year commencing with the fiscal year ended December 31, 2017, (i) certain annual financial information and operating data, including audited financial statements for the preceding fiscal year, generally consistent with the information contained or cross-referenced in the Official Statement relating to the bonds, (ii) timely notice of the occurrence of certain material events with respect to the bonds and (iii) timely notice of a failure by the City to provide the required annual financial information on or before the date specified in (i) above.

FINANCIAL CONSULTANT: Further information relating to the bonds may be obtained from Robert W. Baird & Co. Incorporated, 1001 Bay Street, Traverse City, Michigan 49684. Telephone (231) 933-8447. Fax (231) 933-8448.

BIDDER CERTIFICATION: NOT "IRAN-LINKED BUSINESS" By submitting a bid, the bidder shall be deemed to have certified that it is not an "Iran-Linked Business" as defined in Act 517 Michigan Public Acts of 2012, being MCL 129.311 et. seq.

ENVELOPES containing the bids should be plainly marked "Proposal for 2017 Capital Improvement Bonds (Limited Tax General Obligation)."

Scott A. Borling
City Clerk
City of Kalamazoo

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

8. Useful Life of Project. The estimated period of usefulness of the Projects is hereby declared to be not less than fifteen (15) years.

9. Tax Covenant. The City shall, to the extent permitted by law, take all actions within its control necessary to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"), including, but not limited to, actions relating to any required rebate of arbitrage earnings and the expenditures and investment of Bond proceeds and moneys deemed to be Bond proceeds.

10. Official Statement; Qualification for Insurance; Ratings. The City Manager and Director of Management Services and Chief Financial Officer are each authorized and directed to cause the preparation and circulation of a preliminary and final Official Statement with respect to the Bonds; to procure qualification of the Bonds for a policy of municipal bond insurance; and to obtain ratings on the Bonds.

11. Continuing Disclosure. The City agrees to enter into a continuing disclosure undertaking for the benefit of the holders and beneficial owners of the Bonds in accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, and the City Manager and Director of Management Services and Chief Financial Officer are each hereby authorized to execute such undertaking prior to delivery of the Bonds.

12. Authorization of Other Actions. The City Manager and Director of Management Services and Chief Financial Officer are each hereby authorized to adjust the final Bond details set forth herein to the extent necessary or convenient to complete the transaction authorized herein, and in pursuance of the foregoing are authorized to exercise the authority and make the determinations authorized pursuant to Section 315(1)(d) of Act 34, Public Acts of Michigan, 2001, as amended, including but not limited to, determinations regarding interest rates, prices, discounts, maturities, principal amounts, denominations, dates of issuance, interest payment dates, redemption rights, the place of delivery and payment, and other matters within the parameters described in this resolution. The City Manager and Director of Management Services and Chief Financial Officer are each authorized and directed to take all other actions necessary or advisable, and to make such other filings with any parties, including the Michigan Department of Treasury, to enable the sale and delivery of the Bonds as contemplated herein.

13. Award of Sale of Bonds. The City Manager and Director of Management Services and Chief Financial Officer are each hereby authorized on behalf of the City to award the sale of the Bonds to the bidder whose bid meets the requirements of law and which produces the lowest true interest cost to the City computed in accordance with the terms of the Official Notice of Sale as published.

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

14. Rescission. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

AYES: Members: _____

_____

NAYS: Members: _____

RESOLUTION DECLARED ADOPTED.

_____
Scott A. Borling, City Clerk

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Commission of the City of Kalamazoo, County of Kalamazoo, State of Michigan, at a regular meeting held on March 6, 2017, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

_____
Scott A. Borling, City Clerk

28574887.1\046053-00214

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

Commission Agenda Report

City of Kalamazoo

TO: Mayor Hopewell, Vice Mayor Cooney, and City Commissioners

FROM: James K. Ritsema, ICMA-CM, City Manager

REVIEWED BY: Laura Lam, Director, CPD

PREPARED BY: Marcy Dix, Grants Finance Officer

DATE: 2/20/2017

SUBJECT: Payment In Lieu of Taxes and certification of plan consistency for the Village of Kalamazoo (VOK) Limited Dividend Housing Association LLC at 4510 Lilac Lane

RECOMMENDATION

It is recommended that the City Commission approve a Payment in Lieu of Taxes (PILOT) resolution for the VOK Limited Dividend Housing Association LLC owned by Hope Network and Dwelling Place of Grand Rapids Nonprofit Housing Corporation for Village of Kalamazoo Apartments (Parcel No. 06-19-373-001), pursuant to Section 35-4 of the Kalamazoo City Code.

BACKGROUND

Lilac Lane, Inc. Non-Profit Housing Corporation currently owns the Village of Kalamazoo (VOK) Apartments, a 165 unit complex located at 4510 Lilac Lane. This entity is wholly owned by Hope Network, a nonprofit organization whose main focus is to provide services to those in need. For 50 years, Hope Network has provided neuro-rehabilitation, behavioral health, developmental, and support services throughout Michigan. The VOK is part of Hope Network's housing portfolio of affordable housing projects/assets.

There was previously a PILOT in place for the VOK that expired when the property's mortgage was paid off. Hope Network and Dwelling Place of Grand Rapids Nonprofit Housing Corporation (NPHC) are planning a $7 million - $9 million rehabilitation of the property, making site, exterior, and interior repairs as detailed on the attached scope of work. Hope Network is seeking Low Income Housing Tax Credits (LIHTC) from the Michigan State Housing Development Authority (MSHDA) to help fund the rehabilitation project.

Once the project is funded, ownership will transfer to the VOK Limited Dividend Housing Association LLC owned by Hope Network with partial ownership by Dwelling Place NPHC. Dwelling Place NPHC and Hope Network will participate as Co-Developers on the rehabilitation.

Hope Network is requesting the City's traditional PILOT terms of four percent of their shelter rents for 30 years, the typical LIHTC compliance period. A PILOT will keep the operating expenses of VOK Apartments manageable and provide the needed points to succeed with a 9% tax credit application.

Hope Network will apply for 9% Low Income Housing Tax Credits on April 3, 2017. Hope Network anticipates hearing if credits are awarded to the project by July 2017.

The PILOT for Village of Kalamazoo Apartments would be contingent upon the following:
• Receiving the requested LIHTC award from MSHDA;
• Transferring ownership to the VOK Limited Dividend Housing Association LLC owned by Hope Network and Dwelling Place of Grand Rapids Nonprofit Housing Corporation;
• Notifying MSHDA of its eligibility for tax exemption starting in 2018;
• Maintaining the units as certified and registered rentals serving as affordable housing; and
• Commencing rehabilitation within one year from the date the PILOT becomes effective.

COMMUNITY RESOURCES CONSULTED

This project is consistent with the City of Kalamazoo's 2014-2018 Consolidated Plan, which has the following priority, goal and objectives:
Priority: Affordable Housing

Goal: Improve the amount of decent and affordable housing in the City of Kalamazoo by supporting the maintenance, rehabilitation and development of accessible owner and renter occupied housing.
• Increase affordable rental housing through rehabilitation and new construction.
• Aid households with housing cost burdens with tenant based rental assistance.

The project will remain restricted to low-income households below 60% AMI post rehabilitation. The project is currently in need of significant rehabilitation and the 9% Tax Credits, along with a PILOT from the City of Kalamazoo, will increase the quality of life for current residents.

In addition, the project supports guiding principle 1 of the Master Plan, to "ensure that Kalamazoo is socially, environmentally, and economically sustainable in the long term." The rehabilitation completed will enable VOK Apartments to maintain operations for years to come. As market rate rents keep rising, projects like the Village of Kalamazoo ensure that residents are not displaced and forced to move to lower rent areas.

This project is also in line with the initiative of the city to encourage green development. The project has not seen significant renovations for over 20 years. It is currently operating with inefficient HVAC systems, lighting, and plumbing. The rehabilitation of the property is intended to meet LEED certification standards, making the project significantly greener.

Finally, the city's master plan outlines its need to protect established neighborhoods and the Village of Kalamazoo has been a large part of the neighborhood for over 40 years.

FISCAL IMPACT

The following calculations indicate estimated City revenue for the 165-unit complex based on standard taxing requirements and annual shelter rents through the PILOT. The information provided is to illustrate the revenue difference for the City.

2017 Annual Tax Revenue without the PILOT for Parcel No. 06-19-373-001:
Total Estimate of Taxes Paid in 2017: $101,142.29
Estimated City's Share of Taxes in 2017 (approximately 21.84%): $22,085.40
Estimated Total for 30 Year Period: $22,085.40 x 30 years = **$662,562** (without considering inflation or increased taxable values)

Estimated PILOT revenue to the City of Kalamazoo, based on estimated shelter rents, provided by Hope Network
Annual Rent = $1,289,936
Annual Utilities = $111,239

Estimated Shelter Rents (Rent Minus Utilities) = $1,178,697
$1,178,697 X 4 Percent = $47,148
City's Share of Taxes (21.84%): $10,297.10
$10,297.10 X 30 Years = **$308,913**

Difference: $662,562 (taxes) - $308,913 (PILOT) = $353,649 over a 30-year period or approximately $11,788 per year.

ALTERNATIVES

The City of Kalamazoo ordinance allows for the approval of PILOTs for such projects. The City Commission could decide to deny the request; however, denial of the PILOT could jeopardize Hope Network's ability to receive the Low Income Housing Tax Credits from the State. This alternative is not recommended.

ATTACHMENTS:

	Type	Description
🗋	Report	Scope of work
🗋	Resolution	Hope Network/VOK apts PILOT Resolution

Kim David DeStigter, Architect
515 Madison S.E. | Grand Rapids, Michigan 49503
P: 616-458-5620 | E: kim@destigerarchitecture.com

DATE: January 16, 2017

PROJECT: Hope Network– Rehab
Village of Kalamazoo

RE: Schematic Work Scope / Needs Assessment

Project Summary

(165) Unit complex
- (15) 1-bedroom 580 sq. ft.
- (108) 2-bedroom 700 sq. ft.
- (42) 3-bedroom 880 sq. ft.

Separate community building
Separate administration office & maintenance building
Apartment buildings originally built in 1973
Last major capital improvements done in 1995
All deck boards and railings were replaced in 2015

General for Project

1. Follow allowed by LIHTC Green standards.
2. Owner indicated the buildings have been certified as lead free.

Detailed Items

Site:

1. Site re-grading as needed to improve drainage
2. Storm drainage improvements as needed
3. Updated/improved landscaping as needed
4. Tree/stump removal and tree trimming as needed
5. Replace sidewalks as needed
6. New curbing as needed
7. Complete parking lot resurfacing (include community building lot also)
8. New dumpster locations (large enough to hold (2) 8-yd dumpsters/location
9. Replace all site lighting – LED Fixtures
10. 6' tall privacy fence around the rear (north) property line, along railroad tracks.
11. Playground improvements as needed.
12. New development sign

Building Exterior:

1. Brick cleaning, replacement damaged bricks. Tuck point mortar joints as needed.

2. Remove wood panels (approximately 2'x3') at furnace locations & brick in to match existing.
3. Replace roofing as needed.
4. Replace aluminum siding as needed
5. Replace all windows with energy code compliant, min
6. Replace all patio/deck sliding doors.
7. Replace all building entry doors
8. Seal/stain all new deck boards/railings.
9. Patio slab replacement as needed

Building Common Areas:

1. Replace attic access panels with fire-rated doors. (4)/per building. Requested by Fire Department
2. Add 21" Solatube Solamaster Series light tubes to third floor ceiling in corridor lobby space, thru roof/attic space.
3. Replace exterior stair hand railings & brackets as needed.
4. Replacement of exterior concrete steps as needed.
5. Remove all carpeting and replace with new vinyl stair treads & nosing's.
6. New building signage & apartment numbering.
7. New apartment entry doors and common area doors & hardware.
8. New door casings and base, painted MDF.
9. Laundry Rooms; add ventilation for additional washer/dryers, replace existing countertop as needed, repaint walls and ceiling.

Apartment Interiors:

1. All new interior pre-hung doors & frames.
2. All new door hardware.
3. Replace flooring as needed.
4. Replace interior door casings, window casings & base.
5. New 1" horizontal vinyl window blinds, all windows.
6. New vertical blinds at all deck/patio sliding doors.
7. Replace closet shelving and rods as needed.
8. Bathroom repaint all walls & ceiling, new cabinets as needed, new toilet accessories; towel bars & TP holder
9. Kitchens Replace cabinets, replace all countertops, add backsplash, replace all Refrigerators, replace all Range & Hood Vents

Mechanical:

1. Replace all furnaces with high-efficiency units.
2. Replace all a/c condensing units, 13-seer.
3. New programmable thermostats.
4. Replace all bath fans with energy star combo units. (light & fan)
5. Bring in fresh air to all building common stairwell.

Plumbing:

1. All new lavatory faucets.
2. All new kitchen sink faucets & p-traps.
3. All new toilets, 1.28 gpf.

4. All new tubs/showers.
5. All new tub/shower fixtures

.

Electrical:

1. Upgrade apartment electrical service panels.
2. Replace all switches, outlets & gfi's. and boxes.
3. Replace all light fixtures with LED.
4. Add additional light fixtures in common areas.
5. Run cabling for cable television and internet access.
6. Add roof antenna on all apartment buildings for free TV.

Low Voltage:

1. New smoke detectors & CM detectors
2. New fire alarm system
3. New security/surveillance system
4. New card access & intercom system for each building.
5. New card access at Community/Office building

Community Building:

1. Build an addition that would accommodate the following: 2,475 sq.ft. min. of open community space w/kitchenette
2. Renovate existing bathrooms (two):
3. Replace furnace w/ high-efficiency unit sized properly for the new addition.
4. Add a/c unit, 13-seer
5. Renovate existing building
    a. Replace roof
    b. Replace gutters, downspouts, splash blocks
    c. Replace vinyl siding with Hardy Board or Boral Siding.
    d. Replace windows
    e. Replace exterior doors
6. Replace all windows
7. Replace refrigerator, kitchen sink & faucet.
8. Add cabinets & new countertop for kitchenette.

Current Admin/Maintenance Building & Garage:

1. Repaint all walls & ceilings
2. Replace flooring
3. Replace all exterior doors
4. Renovate existing bathroom, replace toilet & sink
5. Replace furnace w/high-efficiency unit.
6. Add a/c unit, 13-seer.
7. Replace roofing
8. Replace gutters, downspouts, splash blocks
9. Replace vinyl siding

10. Replace all windows
11. Provide exterior drainage system around the perimeter of the building.

CITY OF KALAMAZOO, MICHIGAN

RESOLUTION NO. _____

A RESOLUTION GRANTING ELIGIBILITY FOR A PAYMENT IN LIEU OF TAXES TO HOPE NETWORK FOR THE VILLAGE OF KALAMAZOO APARTMENTS LOCATED AT 4510 LILAC LANE (06-19-373-001)

Minutes of a regular meeting of the City Commission of the City held on the __ day of _____, 2017, at 7:00 o'clock p.m., local time, at the City Hall.

PRESENT, Commissioners:

ABSENT, Commissioners:

Recitals:

A. Hope Network is applying for Low Income Housing Tax Credits (LIHTC) from the State of Michigan; and

B. a Payment in Lieu of Taxes is required to be eligible for LIHTC; and

C. Hope Network owns and operates the Village of Kalamazoo apartment complex at 4510 Lilac Lane (Parcel No. 06-19-373-001); and

D. Section 35-4 of the Kalamazoo City Code and State Law MCL 125.1415a provide that the City may allow owners of property developed and reserved for low-income individuals to make a PILOT to the City in the amount not to exceed the amount of tax which would be imposed on the property but for its exemption from taxation granted.

THEREFORE, IT IS RESOLVED that Hope Network is deemed eligible for PILOT payments for the 165 affordable housing rental units at 4510 Lilac Lane (Parcel No. 06-19-373-001), subject to the following terms and conditions:

1. The PILOT shall commence in January 2018 upon the LIHTC award closing and shall continue for thirty years or until December 31, 2048, whichever comes first, so long as Hope Network maintains the units as certified and registered rentals serving as affordable housing; and

2. The PILOT shall be calculated at a rate of four percent (4 percent) of gross shelter rents for 165 units during this time period, pursuant to Section 35-4 of the Kalamazoo City Code; and

3. The PILOT will not become effective until the Michigan State Housing Development Authority ("MSHDA") notifies the City of Kalamazoo Assessor that it has approved the tax exemption starting in 2018 and that the exemption would permit the owners to make a PILOT; and

4. Rehabilitation will commence within one year from the date the PILOT becomes effective; and

5. Upon closing the award of LIHTC, the project ownership shall be transferred to the VOK Limited Dividend Housing Association LLC owned by Hope Network and Dwelling Place of Grand Rapids Nonprofit Housing Corporation.

The above resolution was offered by _____ and supported by _____.

AYES, Commissioners:

NAYS, Commissioners:

ABSTAIN, Commissioners:

RESOLUTION DECLARED ADOPTED.

CERTIFICATE

The foregoing is a true and complete copy of a resolution adopted by the City Commission of the City of Kalamazoo at a regular meeting held on _____, 2017. Public notice was given and the meeting was conducted in full compliance with the Michigan Open Meetings Act (PA 267, 1976). Minutes of the meeting will be available as required by the Act.

_____
Scott A. Borling, City Clerk

Commission Agenda Report

City of Kalamazoo

TO: Mayor Hopewell, Vice Mayor Cooney, and City Commissioners

FROM: Clyde J. Robinson, City Attorney

PREPARED BY: Laura J. Echtinaw, Legal Secretary

DATE: 2/20/2017

SUBJECT: **Amendment to 9-1-1 Surcharge Distribution Agreement**

INFORMATIONAL ITEMS

RECOMMENDATION

It is recommended that the City Commission approve and authorize the City Manager to execute the First Amendment to the Agreement for the Distribution of County 9-1-1 Surcharge Revenues.

BACKGROUND

Currently county residents pay a $0.42 per month surcharge for 9-1-1 dispatch service, which is specifically reflected in the 2014 Agreement for the Distribution of County 9-1-1 Surcharge Revenues Agreement between the 5 Kalamazoo area Public Safety Answering Points (PSAPs) which are the cities of Kalamazoo and Portage, Kalamazoo Charter Township, Kalamazoo County Sheriff Department and WMU Police.

On May 2, 2017 County voters will be asked to approve an increase to $2.30 per month to fund consolidated county-wide dispatch services. If the proposed increase is adopted the Surcharge Revenue Agreement would be inconsistent with the authorized charge. The representatives of the PSAPs which currently serve on the Consolidated Dispatch Authority have recommended that the Surcharge Revenue Agreement be amended prior to the May 2, 2017 election to remove the specific reference to $0.42 per month and insert the phrase “duly authorized 9-1-1 charge per month” at two places within the Agreement.

POLICY CONSIDERATIONS

n/a

COMMUNITY RESOURCES CONSULTED

The Consolidated Dispatch Authority representatives recommend the amendment. Similar action to approve the proposed amendment will be undertaken by the authorized public bodies and officials of the other 4 PSAPs. Legal counsel for the 5 PSAPs have reviewed the language of the proposed First Amendment and found it acceptable.

FISCAL IMPACT

None. The change merely permits the collection of whatever the authorized surcharge happens to be following the May 2, 2017 election.

ALTERNATIVES

None. This amendment removes the necessity of amending the Surcharge Revenue Agreement each time the authorized surcharge is changed.

ATTACHMENTS:

Type	Description
Agreement	First Amendment to Agreement for the Distribution of County 9-1-1 Surcharge Revenues

FIRST AMENDMENT TO AGREEMENT FOR THE DISTRIBUTION OF COUNTY

9-1-1 SURCHARGE REVENUES

THIS FIRST AMENDMENT (the Amendment) to Agreement for the Distribution of County 9-1-1 Surcharge Revenues (the Agreement) is entered into by and between the City of Kalamazoo, the City of Portage, the County of Kalamazoo, the Charter Township of Kalamazoo, and Western Michigan University (the Parties).

RECITALS

WHEREAS, the City of Kalamazoo, the City of Portage, the County of Kalamazoo, the Charter Township of Kalamazoo, and Western Michigan University previously entered into an Agreement (the "Agreement") for the Distribution of County 9-1-1 Surcharge Revenues in October 2014; and

WHEREAS, the Section 401b of the Emergency 9-1-1 Service Enabling Act, Act 32 of the Public Acts of 1986, as amended, being MCL 484.1401b permits the Kalamazoo County Board of Commissioners to assess a county 9-1-1 charge of $0.42 per month (Surcharge) to service users, except for users of a prepaid wireless telecommunications service, located in Kalamazoo County by the adoption of a Resolution assessing the Surcharge within the county; and

WHEREAS, the Agreement is specific to revenues produced by a county 9-1-1 charge of $0.42 per month assessed by the Kalamazoo County Board of Commissioners by resolution; and

WHEREAS, the Section 401b of the Emergency 9-1-1 Service Enabling Act, Act 32 of the Public Acts of 1986, as amended, being MCL 484.1401b permits the Kalamazoo County Board of Commissioners to assess a county 9-1-1 charge of up to $3.00 per month (Surcharge) to service users, except for users of a prepaid wireless telecommunications service, located in Kalamazoo County if approved by the voters of the County; and

WHEREAS, the Kalamazoo County Board of Commissioners authorized a question to be placed on the ballot for consideration of the electorate on May 2, 2017 a 9-1-1 charge of up to $2.30 per month (Surcharge) to service users, except for users of a prepaid wireless telecommunications service, located in Kalamazoo County; and

WHEREAS, the Kalamazoo County Board of Commissioners committed itself to not assessing the voter approved surcharge unless, and until, the Parties to the original Distribution Agreement, which operate the current Primary Public Safety Answer Points, enter into an amended agreement for the distribution of Voter Approved Surcharge Revenues.

TERMS OF AMENDMENT

NOW, THEREFORE, in mutual consideration of the terms and conditions hereinafter set forth, it is hereby agreed as follows:

1. The Recitals set forth above are part of this Amendment.

2. The second line, in the first paragraph of Section 1 "Distribution To The Kalamazoo County Consolidated Dispatch Authority" of the Agreement is amended as follows:

   The term "duly authorized 9-1-1 charge" shall replace the term "9-1-1 charge of $0.42 per month".

3. The sixth line, in the first paragraph of Section 3 "Distribution To The Parties To This Agreement" of the Agreement is amended as follows:

   The term "duly authorized 9-1-1 charge" shall replace "9-1-1 charge of $0.42 per month".

4. The individuals or officers signing this Amendment certify by their signatures that they are authorized to sign this Amendment on behalf of their respective governing boards, officials or agencies. All other terms of the previously approved Agreement remain unchanged and are reincorporated herein as if fully set forth in this Amendment.

IN WITNESS WHEREOF, the parties have executed this Agreement at Kalamazoo, Michigan.

COUNTY OF KALAMAZOO

_____	_____
Dale Shugars, Chairperson Kalamazoo County Board of Commissioners	Timothy A. Snow County Clerk/Register

CITY OF KALAMAZOO

_____

James Ritsema
City Manager

CHARTER TOWNSHIP OF KALAMAZOO

_____

Ronald E. Reid
Township Supervisor

CITY OF PORTAGE

_____

Laurence Shaffer
City Manager

WESTERN MICHIGAN UNIVERSITY

_____

Jan Van Der Kley
Treasurer

Commission Agenda Report

City of Kalamazoo

TO: Mayor Hopewell, Vice Mayor Cooney, and City Commissioners

FROM: James K. Ritsema, ICMA-CM, City Manager

REVIEWED BY: Thomas C. Skrobola, Director of Management Services/Chief Financial Officer

PREPARED BY: Stephanie McGowan, Budget Manager

DATE: 2/10/2017

SUBJECT: 2016 Year End Budget Adjustment

RECOMMENDATION

It is recommended that the City Commission approve the following amendments to Fiscal Year 2016 Budgeted appropriations for items that were necessary, but not included in the original appropriations:

- Increase Capital Improvement Fund appropriations by $740,000

- Increase Solid Waste Fund appropriations by $66,000.

- Transfer $90,000 from the Henderson Tot Lot project to the Davis Street Park project.

- Transfer $250,000 from the Farmer's Market project to the KRVT Downtown Connector trailway project.

- Transfer $200,000 from the KVCC/WMU Streetscape project to the KRVT Downtown Connector trailway project.

- Transfer $140,000 from unspent bond reserves to City Hall - Economic Development Offices and Lobby Public Restroom project.

BACKGROUND

The City's Budget Policies and State law require that the City's final legislatively appropriated expenditures are adequate to cover actual expenditures. The City recommends the following changes.

Capital Improvement:

- Increased appropriation in the amount of $740,000 and project Transfers:
  - Downtown Kalamazoo Parking System upgrades: $600,000 of the City's 2016 Capital Improvement Bonds were used to improve access and revenue control system as proposed in the DDA five-year transportation plan. The Parking System is paying for the related debt service payments from Parking System revenues.

  - Economic Development Office Relocation: $140,000 was expended to remodel the first floor area of City Hall that was formerly occupied by the Assessor's Office; also, a public handicap accessible restroom has been installed. The City has unspent Bond reserves released from other

completed projects to cover this project.

o The Davis Street Park project scope has been changed. This is scheduled for completion in 2017, however it will require a transfer of City funding from the Henderson Tot Lot project. The Henderson Tot Lot project is in the design stages in 2017 and City funding will be included in next year's Proposed Budget to complete the project in 2018;

o The KRVT Downtown Connector trailway project did not receive $725,000 of funding from the Michigan Department of Transportation as originally anticipated in the 2016 Budget. The project specifications were amended, and $450,000 of necessary funding is proposed to be shifted from the following two projects:

§ The Farmer's Market project is proposed to transfer $250,000 of City funding. The Farmer's Market project is in the design stages in 2017, and construction on the Farmer's Market is not anticipated until 2018;

§ The KVCC/WMU Streetscape project is proposed to transfer $200,000 of City funding. This was originally budgeted in 2015; this project has since received other funding.

Special Revenue Fund:
The Solid Waste Fund requires an additional appropriation of $66,000 to cover additional curbside recycling and bulk trash pickup services. This will be funded by working capital in the Solid Waste Fund.

POLICY CONSIDERATIONS

None.

COMMUNITY RESOURCES CONSULTED

None.

FISCAL IMPACT

Funds to cover the recommended FY 2016 Budget adjustments are available from existing unspent capital projects reserves and from Solid Waste Fund working capital.

ALTERNATIVES

The City Commission could decide not to approve the recommended FY 2016 Budget adjustments. This is not recommended since the City's Budget Policies require that the final budget revenues and budget expenditures for the Capital Projects Fund and Solid Waste Fund are in balance.

Commission Agenda Report

City of Kalamazoo

TO: Mayor Hopewell, Vice Mayor Cooney, and City Commissioners

FROM: James K. Ritsema, ICMA-CM, City Manager

REVIEWED BY: Laura Lam, Director, CPD

PREPARED BY: Venessa Collins-Smith, Community Development Compliance Specialist II

SUBJECT: Release of the DRAFT 2017 HUD Action Plan and Substantial Amendment to 2016 HUD Action Plan for a 30-day Public Comment Period

RECOMMENDATION

It is recommended that the City Commission approve the release of the 2017 draft Action Plan and the amended 2016 draft Amended Action Plan for a 30-day public comment period to begin on March 7, 2017, as required by the U.S. Department of Housing and Urban Development (HUD).

BACKGROUND

The City of Kalamazoo 2017 Program Year Action Plan and 2016 Substantial Amendment requires an open process in which citizens can provide input into the development of the plan and changes to the Substantial Amendment. Public involvement includes a 30-day comment period and then public hearings with both the Community Development Act Advisory Committee (CDAAC) and the City Commission. Opening the comment period is the first step in the process, providing citizens 30 days to comment on the 2017 draft Action Plan and the 2016 Substantial Amendment, including activities proposed for funding and changes. The draft Action Plan is included as Attachment A of this report and the Substantial Amendment is included as Attachment C. It is anticipated that the City Commission will take action on the PY 2017 HUD budget in May 2017.

This is the beginning of the public process; changes may still be made to the draft Action Plan and Substantial Amendment. If the City Commission desires an alternative to the activities recommended within this report, direction can be provided to CDAAC for consideration prior to the public hearing planned for April 13, 2017.The draft recommendations from CDAAC are included as Attachment B of this report. The remainder of this section provides information on available funding and the process CDAAC utilized to reach these draft recommendations.

I. Available Funding – 2017 Action Plan

Community Planning and Development (CP&D) expects 2017 funding levels as follows: Community Development Block Grant (CDBG) - $1,339,087; HOME Investment Partnerships Program (HOME) - $424,742; and Emergency Solutions Grant Program (ESG) - $124,518. These funds may be used for eligible activities during PY 2017 (July 1, 2017 – June 30, 2018).

The anticipated total funding to be allocated to PY 2017 activities is $2,372,038. This amount includes 2016 HOME Community Housing Development Organization (CHDO) unallocated funds in the amount of $63,711 that will go toward the PY 2017 CHDO project. Unallocated HOME and CDBG amounts totaling $334,576 will be allocated during the next competitive application cycle in 2018. These funds include program income earned from successful past programming as well as funds from 2016 terminated projects. The following table provides these totals by federal program:

Table 1: Total PY 2017 Anticipated Funding

	CDBG	HOME	ESG	TOTAL
Entitlement	$1,339,087	$424,742	$124,518	**$1,888,347**
Anticipated Program Income (anticipated)	$85,404			**$85,404**
Unallocated Program Income from prior years	$201,720			**$201,720**
CDBG Unallocated Funds from Prior Years	$8,981			**$8,981**
HOME Unallocated Funds from PY2016		$123,875		**$123,875**
CHDO Unallocated Funds from PU2016		$63,711		**$63,711**
Total	**$1,635,192**	**$612,328**	**$124,518**	**$2,372,038**

There are a few projects that have received CDBG funding in the past that generate program income on an annual basis. Program income is defined as “any gross income received that was directly generated from the use of federal funds.” As part of the Action Plan process, any anticipated program income must be identified and assigned to an eligible project. Typically, the activity that generates the program income is allowed to retain the funds to assist in the continuation of that activity. The estimated program income in PY 2017 is:

Table 2: Program Income Estimated for PY 2017

Organization	Activity	Program Income
Community Homeworks	Critical Home Repair	$19,794
Kalamazoo Neighborhood Housing Services	Deferred Home Maintenance	$52,110
CP&D	Small Business Revolving Loan Fund	$13,500
	Total Program Income	**$85,404**

Table 3: CDBG Unallocated Program Income

Unallocated Program Income	CDBG
Façade Improvement Program	$6,668
Housing Revolving Fund Unreserved Fund Balance	$28,383
Housing Revolving Fund - Unearned Revenue	$18,800
Small Business Revolving Fund	$68,736
Micro-Enterprise	$79,133
	$201,720

Table 4: CDBG Prior Year Unallocated Funds

CDBG Prior Year Unallocated Funds	$8,981
	$8,981

Table 5: HOME Prior Year Unallocated Funds

HOME Prior Year Unallocated Funds	$123,875
CHDO - Prior Year Unallocated Funds	$63,711
	$187,586

II. Application Process

The PY 2016 Application was a multi-year application allowing subrecipients approved for 2016 to receive funding for PY 2017 provided they completed their 2016 scope of work in a timely manner and their 2017 project was identical to their 2016 project. CDAAC reviewed the multi-year continued funding applications to determine continued funding based on a set of review criteria provided in the PY2016 application packets. At the January 14, 2017, meeting, the draft recommendations were approved to be sent to the City Commission to open the 30-day public comment period.

A total of five continued funding applications were submitted, which included three CDBG applicants and two HOME applicants. Two applications for HOME Community Housing Development Organization (CHDO) reserved funds were submitted, but one application was withdrawn at the subrecipient's request because its Board of Directors did not meet requirements to be classified as a CHDO.

The Affordable Housing Application combined both CDBG and HOME dollars and allowed for the following application types:

Funding Source	Activity
CDBG Affordable Housing	Homeowner Rehabilitation
	Critical Home Repair
	Tenant Based Rental Assistance - Administration
HOME Affordable Housing	Vacant housing Rehabilitation/Homebuyer Assistance
	Property Redevelopment for Homeownership
	Tenant Based Rental Assistance

III. Substantial Amendment to the 2016 Action Plan

The amendments to our 2016 Action Plan (Attachment C) are as follows:

Deletions:

- Deletion of College Town Properties as a HOME subrecipient providing affordable rental units. College Town Properties withdrew from the program.
- Deletion of Kalamazoo Collective as HOME subrecipient providing affordable rental units. Kalamazoo Collective withdrew from the program due to capacity limitations after a change in leadership.

Additions:

- Addition of unallocated CDBG program income of $201,720. These dollars will be used for programming in program years 2017 and 2018.

COMMUNITY RESOURCES CONSULTED

CDAAC is an important component in the City of Kalamazoo's citizen participation plan and is made up of 13 volunteer members. Six are nominated by the CDBG-eligible neighborhood associations: Eastside, Edison, Fairmont, Northside, Stuart, and Vine. The remaining seven are members-at-large. In addition to the City of Kalamazoo Consolidated Plan 2014 – 2018 priorities, CDAAC also used agency performance, capacity, and

leveraging in the decision-making process.

FISCAL IMPACT

The CDAAC recommendations provide a benefit to the City's general fund, allowing for support of City staff from CP&D, Public Safety, and Parks and Recreation. All recommendations utilize the annual federal allocation received by HUD or monies generated by that allocation. Through the award of these federal dollars in the manner recommended, the City of Kalamazoo's general fund is not required to address many of the community needs supported by the City and by outside nonprofit organizations

ALTERNATIVES

The City Commission may elect not to release the draft Action Plan with the activities described in this report for a 30-day public comment period from March 7, 2017 through April 6, 2017. However, a postponement in the 30-day public comment period would delay the required public hearings with CDAAC and the City Commission which are currently planned for March and April. These public hearing dates are necessary to meet the required 45-day HUD public comment period before the start of the program year on July 1, 2017. This alternative is not recommended

ATTACHMENTS:

Type	Description
Report	2017 HUD Draft Action Plan
Report	2016 HUD Draft Substantial Amendment
Report	2017 Funding Recommendation

Disclaimer: This document is a draft, and provided as a courtesy. This document is not to be considered the final FY 2017-2018 Annual Action Plan. Because it is a work in progress, there are parts that may be revised, including page numbers and references. All information contained herein is subject to change upon further review

Community Planning and Development

FY 2017 One-Year Action Plan

City of Kalamazoo
Community Development Block Grant Program
HOME Investment Partnerships Program
&
Emergency Solutions Grant

Adopted by the Kalamazoo City Commission on – _____
Submitted to HUD on: _____

Prepared by Staff of the City of Kalamazoo Community Planning
and
Development Services Division
415 Stockbridge Avenue
Kalamazoo, MI 49001
269-337-8044

THE CITY OF KALAMAZOO
ACTION PLAN
JULY 2017 – JUNE 2018

The City of Kalamazoo
City Commissioners - Update
Mayor Bobby J. Hopewell
Vice Mayor - Don Cooney
David Anderson
Erin Knott
Matt Milcarek
Shannon Sykes
Jack Urban

Community Planning & Development
Laura Lam, Director
Dorla Bonner, Manager

OMB Control No: 2506-0117 (exp. 07/31/2017)

Table of Contents
Community Planning and Development Review Draft
FY 2017-18 Action Plan

Executive Summary

AP-05 Executive Summary **4**

The Process

PR-05 Lead & Responsible Agencies **11**
AP-10 Consultation **12**
AP-12 Participation..... **22**

Annual Action Plan

AP-15 Expected Resources..... **24**
AP-20 Annual Goals and Objectives **28**
AP-35 Projects **32**
AP-38 Project Summary..... **34**
AP-50 Geographic Distribution **41**
AP-55 Affordable Housing **43**
AP-60 Public Housing **44**
AP-65 Homeless and Other Special Needs Activities **45**
AP-75 Barriers to Affordable Housing **49**
AP-85 Other Actions **52**
AP-90 Program Specific Requirements..... **55**

OMB Control No: 2506-0117 (exp. 07/31/2017)

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

The City of Kalamazoo is an entitlement jurisdiction receiving federal funds from the U.S. Department of Housing and Urban Development (HUD). The activities described in the FY 2017-18 Action Plan are a result of goals and strategies outlined in the city's 2014-2018 Consolidated Plan. The FY 2017-18 Action Plan is based on priorities established by the City of Kalamazoo to address the housing and community development needs of its low and moderate income families and individuals. The Plan is a prerequisite for the distribution of HUD funding. Administrative and planning support for the City will be provided through the Community Planning and Development Department for the five years of the Plan. The budget for the 2017-2018 year is as follow:

PY2017 Action Plan - Funding Recommendations

Sources and Uses

Agency	Activity Name	Requested Funding	Funding Recom	2,017.00
SOURCES				
CDBG Allocation				$1,339,087
CDBG Prior Yr. Unallocated Income				$8,981
CDBG Anticipated Program Income				$85,404
ED Unallocated Prog Inc.				$201,720
HOME Allocation				$424,742
HOME Prior Year Unallocated				$123,875
HOME - CHDO Unallocated Prior Year				$63,711
ESG Allocation				$124,518
Total Funds Available				**$2,372,038**
USES				
CDBG PUBLIC SERVICE[1]				
City of Kalamazoo Public Safety	Crime Prevention		$150,000	
City of Kalamazoo CPD	Neighborhood Support		$18,000	
Fair Housing Ctr SW Michigan	Fair Housing Services		$18,000	
Local Initiatives Support Corp	Continuum of Care		$18,000	
City of Kalamazoo	Pks and Rec Youth		$12,304	
Total				**216,304**

OMB Control No: 2506-0117 (exp. 07/31/2017)

CDBG ADMINISTRATION[2]				
City of Kalamazoo	Administration			**267,817**
CDBG - GENERAL				
City of Kalamazoo	Code Enforcement		$400,000	
City of Kalamazoo	Demolition		$43,000	
Total				**443,000**
CDBG - AFFORDABLE HOUSING				
Housing Resources, Inc.	Tenant Based Rental Assistance - Adm	$75,000	$56,375	
Senior Services, Inc.	Home Repair for the Elderly	$100,000	$75,000	
Community Homeworks	Critical Home Repair	$250,000	$200,000	
Total		**$425,000**		**331,375**
***CDBG Neighborhood Enhancement**				
City of Kalamazoo Public Services			$80,591	
				80,591
		CDBG Total		**1,339,087**
ANTICIPATED PROGRAM INCOME				
City of Kalamazoo CP&D	Small Business Revolving Loan		$13,500	
Kzoo Neighborhood Housing Services	Minor/Emergency Roof Repair		$52,110	
Community Homeworks	Critical Minor Home Repair		$19,794	
Total				**85,404**
CDBG UNALLOCATED PROGRAM INCOME				
CDBG Prior Yr. Unallocated Income			$8,981	
				$8,981
UNALLOCATED PROGRAM INCOME				
Unallocated Program Income	Façade Improvement Program		$6,668	
	Housing Revolving - Unreserved Fund Balance		$28,383	
	housing Revolving - Unearned Revenue		$18,800	

OMB Control No: 2506-0117 (exp. 07/31/2017)

	Small Business Revolving Fund		$68,736		
	Micro-Enterprise		$79,133		
			201,720	**201,720**	
HOME					
City of Kalamazoo CP&D	Administration[3]		$42,474		
Fair Housing of SW Michigan	Lease/Purchase Program	$400,000	$70,637		
Housing Resources, Inc.	Tenant Based Rental Assistance	$100,000	$75,200		
HOME Unallocated - Current Year	Unallocated - Current Year 17100+1720	$100,000	$172,720		
Kalamazoo Neighborhood Housing Services	CHDO Reserve 2016 $63,711[4]				
	CHDO Reserve 2017 $63,711[4]		127,422		
				488,453	
HOME UNALOCATED - PRIOR YEAR 2016					
HOME Unallocated - Prior Year	Unallocated Prior Year	$123,875			
Total		**$123,875**		**123,875**	
ESG					
Continuum of Care	ESG Administration [5]		$9,340		
Continuum of Care	Various Homeless Programs and Activities		$115,178		
Total				**124,518.00**	
ALL PROGRAMS TOTAL					**2,372,038**

2. Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

In 2014, the City of Kalamazoo adopted the 2014-2018 Consolidated Plan that outlines the framework for the City to target CDBG funds for the highest community development needs. The Consolidated Plan goals and objectives were developed through the *Needs Assessment*, data analysis and evaluation, consultations with area agencies, and citizen input.

The City developed its 2017-2018 objectives and outcomes based upon citizen participation and the needs identified in the 2014-2018 Consolidated Plan.

The City proposes to use 2017 entitlement funds in fiscal year (FY) 2017-2018 to continue neighborhood revitalization and housing rehabilitation continue to reduce homelessness, provide public assistance, parks and recreational repairs, and further fair housing. The 2017- 2018 Action Plan objectives and outcomes are further described below:

Table 2 – Objectives and Outcomes

Affordable Housing - Improve the amount of decent and affordable housing in the City of Kalamazoo by supporting the maintenance, rehabilitation and development of accessible owner and renter occupied housing.			
Category	**Agency**	**Indicator**	**Expected Program Year**
Affordable Housing:	Fair Housing	Fair housing activities for Low/Moderate Income Housing Benefit	73845
Affordable Housing:	Fair Housing Center of Southwest Michigan(HOME)	Homeowner Housing Added	1 Housing units
Affordable Housing:	Community Homeworks Senior Services	Homeowner Housing Rehabilitated	80 Housing Units 32 Housing units
Affordable Housing:	Housing Resources Inc.	Tenant-based rental assistance / Rapid Rehousing	55 Housing units
Homeless Assistance - Work towards ending homelessness within Kalamazoo County by supporting the U.S. Department of Housing and Urban Development's Strategic Plan to Prevent and End Homelessness implemented through the Kalamazoo County Continuum of Care by providing services and support to the City's homeless population.			
Category	**Agency**	**Indicator**	**Expected Program Year**
Homeless Assistance:	Housing Resources Inc.	Homeless Person Overnight Shelter	149 Persons Assisted
Homeless Assistance:	Housing Resources Inc.	Homelessness Prevention	126 Persons Assisted
Neighborhood Enhancement - Advance the sustainability of the Community Development Block Grant neighborhoods identified in the Consolidated Plan through the continuation of City services and redevelopment of key neighborhood improvements.			
Category	**Agency**	**Indicator**	**Expected Program Year**
Neighborhood Enhancement:	City of Kalamazoo	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit –	73845
Neighborhood Enhancement:	City of Kalamazoo	Public service activities other than Low/Moderate Income Housing Benefit –	28884
Neighborhood Enhancement:	City of Kalamazoo	Buildings Demolished	**5**
Neighborhood Enhancement:	City of Kalamazoo	Housing Code Enforcement/Foreclosed Property Care	1109
Youth Development - 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.			
Category	**Agency**	**Indicator**	**Expected Program Year**
Youth Development	City of Kalamazoo	Public service activities other than Low/Moderate Income Housing Benefit	235

HUD has identified a series of outcomes to be achieved through the application of the resources it provides. The primary outcomes that will be achieved as the City provides funding for and/or carries out activities during FY 2017-18 will include improving the availability, accessibility and affordability of housing, and creating or enhancing suitable living environments. Detailed descriptions of the foregoing priority needs, goals, and anticipated outcomes can be found in the Consolidated Plan document, available on the City's Web site at: http://www.kalamazoocity.org/community-development2.

3. Evaluation of past performance

Monitoring

The City regularly monitors progress on activities carried out in the Annual Action Plan to ensure compliance with program requirements. Evaluation takes place during the application and funding process, and after sub-grantee contracting has been executed. Agreements with sub-agreements and Memoranda of Understandings (MOUs) with other public agencies set clear performance measures, reporting procedures, timeliness, and budgets against which goals are measured. City staff regularly monitors compliance with contracting requirements and performance goals through the implementation and review of quarterly performance reports, monthly reimbursement desk audits, and annual on-site monitoring. City staff provides feedback to sub-grantees regarding areas of concern, and findings where corrective action or improvements are required. The City publishes an Annual Performance Report, aggregating data to analyze progress towards goals, cost effectiveness, community impact, and compliance with regulations. Additional Monitoring Standards and Procedures are outlined in the City of Kalamazoo Consolidated Plan. Contracting standards and policies and procedures can also be found in the City's CDBG Policies and Procedures Manual. Information obtained from all of the aforementioned evaluation and monitoring efforts is used to assist in the determination of which projects to allocate CDBG funds.

Past Performance

The following were the major achievements reported in the latest Consolidated Annual Performance and Evaluation Report which covered the period of July 1, 2015 to July 30, 2016:

Table - 3

Category	Agency	Indicator	Units Served
Affordable Housing: CDBG	Fair Housing	Public service activities for Low/Moderate Income Housing Benefit	73845
Affordable Housing: HOME	Urban Alliance KNHS	Rental units rehabilitated	5 Housing units
Affordable Housing: HOME	Fair Housing - HOME	Homeowner Housing Added	1 Housing units
Affordable Housing: CDBG	Community Homeworks	Homeowner Housing	112 Housing units

	Senior Services	Rehabilitated	
Affordable Housing: HOME	HRI	Tenant-based rental assistance / Rapid Rehousing	55 Housing units
Homeless Assistance: ESG	HRI	Homeless Person Overnight Shelter	209 Persons Assisted
Homeless Assistance: ESG	HRI	Homelessness Prevention	121 Persons Assisted
Neighborhood Enhancement: CDBG	City of Kalamazoo	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	73845
Neighborhood Enhancement: CDBG	City of Kalamazoo	Public service activities other than Low/Moderate Income Housing Benefit	28884
Neighborhood Enhancement: CDBG	City of Kalamazoo	Buildings Demolished	0
Neighborhood Enhancement: CDBG	City of Kalamazoo	Housing Code Enforcement/Foreclosed Property Care	1109
Youth Development	City of Kalamazoo	Public service activities other than Low/Moderate Income Housing Benefit	28884

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

The City of Kalamazoo followed its published Citizen Participation Plan in carrying out the process used to develop this FY 2017-18 Action Plan. The City Commission opens a 30 day comment period to gather input from the community at-large. After the comment period, a public hearing is held by the Community Development Act Advisory Committee and then by the City Commission. The notices of the public comment period and public hearings are posted in the local newspaper and on the City's webpage. In addition, the dates are emailed to all of the applicants who submitted a request for funding for the 2017 Program Year. The plan is available on the City's website.

In practice the citizen participation process under which the City's Consolidated Plan and this FY 2017-18 Action Plan began many years ago, as prior Consolidated Plans were implemented. Since 2000, each year's Action Plan hearing has been advertised as an opportunity to influence the next Consolidated Plan and its priorities; many identified actions in earlier Plans were intended to help the City define or refine goals for future plans. As noted above, the citizen participation process for this Action Plan combined formal public hearings with less formal meetings and discussions about needs and solutions. The goals in the City's FY 2014-2018 Consolidated Plan are reflective of a comprehensive, additive approach to gathering public input. The actions the City will carry out or support through implementation of its FY 2017-18 Action Plan are a direct result of the discussions in which City staff have participated, and of the ideas and testimony the City received through its more formal processes.

5. Summary of public comments

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

The City completed outreach to local nonprofits, stakeholder organizations, neighborhood groups, residents, community funders, housing providers, and community leaders who access public services. A wide array of comments was provided at these meetings and through the Community Needs Survey. This input provided the foundation for the development of the priorities, goals and objectives of the plan.

Comments were also received during the 30-day public comment period and at the Community Development Act Advisory Committee and City Commission public hearings. For the PY207 Annual Action Plan, the 30-day public comment period will be held from **March 7, 2017 through April 6, 2017**. One sub recipient expressed concerns during the comment period regarding the scoring and funding recommendation their agency received. These concerns were expressed to the City Manager's office and Community Development and Planning staff. CDAAC held the first public hearing on March 10, 2017. Staff relayed the sub-recipient's concerns to CDAAC. There were no other comments received by staff or CDAAC and no attendees at the CDAAC public hearing. CDAAC voted unanimously to approve the Action Plan with changes to budget as a result of the lowered HUD allocation.

6. Summary of comments or views not accepted and the reasons for not accepting them

All comments will be accepted. The City has established a process of evaluating public input to ensure outcome of a focused set of priorities and goals addresses the most urgent needs and not duplicate efforts. Through this review process, some input is garnered prior to the public hearings and ruled out in favor of priorities, goals and objectives presented in the this plan.

7. Summary

The 2017-2018 Action Plan outlines the activities the City of Kalamazoo will undertake or support during the one-year period, beginning July 1, 2017, to address identified community needs. Consistent with the current Consolidated Plan, the impact of any federal funds received by the City will be maximized through a focused approach of addressing community needs and delivering services to the low and moderate income residents of Kalamazoo. The goals and objectives of the Plan will improve overall.

PR-05 Lead & Responsible Agencies – 91.200(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

Describe the agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Table -4

Agency Role	Name	Department/Agency
Lead Agency	KALAMAZOO	City of Kalamazoo
CDBG Administrator	KALAMAZOO	Community Planning and Development
HOME Administrator	KALAMAZOO	Community Planning and Development
ESG Administrator	KALAMAZOO	Community Planning and Development

Table 2 – Responsible Agencies

Narrative (optional)

The lead entity for the administration of CDBG, HOME, and ESG programs is the City of Kalamazoo through the Department of Community Planning and Development. As the lead agency, the City is responsible for overseeing the development and implementation of the 2014-2018 Consolidated Plan, Annual Action Plans and Consolidated Annual Performance Evaluation Reports. Community Planning and Development staff provides administrative and planning support for the use of the federal funds and acts as the primary staff support to the Community Development Act Advisory Committee. The Community Development Act Advisory 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 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.

Consolidated Plan Public Contact Information

City of Kalamazoo contact for Consolidated Plan, Action Plan, CDBG Program, HOME Program:
Dorla Bonner,
Community Development Manager
City of Kalamazoo
415 Stockbridge
Kalamazoo, MI 49001
269-337-8044
bonnerd@kalamazoocity.org

AP-10 Consultation – 91.100, 91.200(b), 91.215(l)

1. Introduction

As the lead agency, the City of Kalamazoo, through Community Planning and Development, oversaw the consultation required to complete the 2014-2018 Consolidated Plan. Community Planning and Development 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 a number of ways which included a Community Needs Survey, stakeholder and neighborhood meetings, outreach at established community events and provider meetings. The outcome of the Consolidated Plan represents 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, the public, and other community development partners. Consultation includes correspondence with area agencies, attendance at local and regional meetings and committees, outreach by City Commissioners and public meetings. The City also consults with other City departments to identify public facility and community development needs.

Activities to enhance coordination between public and assisted housing providers, governmental health, mental health, and service agencies is ongoing. Specific meetings with housing and mental health providers to identify needs for the 2017-2018 Action Plan include:

1. Service Needs – Communication by reports from existing CDBG Subrecipients and outreach to other agencies to assess needs and programs.
2. Housing Matters - Monthly forum is intended to educate those in attendance on existing affordable housing programs or issues related to housing and offer opportunities to discuss possibilities for creating additional housing throughout the County.
3. Community Hour - Housing Resources, Inc., – monthly meetings with local agencies that work together to address the needs of Kalamazoo's homeless and at-risk populations.

Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(l))

The City coordinates with and participates in the county-wide Continuum of Care (CoC); this collaboration of more than 30 constituent groups, helps to create a comprehensive and integrated approach to end homelessness and insure permanent housing for low-income people.

The City works with CoC partners and agency volunteers who represent public and assisted housing providers and private and governmental health, mental health and service agencies by serving on the following CoC committees and boards, including:

- The Allocations and Accountability Team (AAT) includes City staff as member) meets monthly and maintains an open, fair, and impartial process for the solicitation of projects, project selection for funding and establishes CoC policies, procedures and written standards.

- HMIS Data User Group (Data Team) meets monthly and insures the Homeless Management Information System (HMIS) complies with the HUD standards. This program, is used by all HUD and MSHDA funded-programs, and is able to produce aggregate reporting at the community level.
- Systems of Care (SOC) Committee: Meets bi-monthly and identifies and eradicates barriers that prevent or limit access to housing and services, with interagency collaboration, strength-based case management, cultural competence, community-based services, family involvement, and accountability as guiding principles.
- Co-Chairs Work Group: Provides long-term strategic planning that addresses the needs of homeless; the availability and accessibility of existing housing and services; and the opportunities for linkages with mainstream housing and service resources.
- LISC Local Advisory Board (LAB): Meet bi-monthly, serves as the CoC's governing body and establishes the policy and process to ensure the submission of the competitive application(s) for state and federal Homeless Assistance funding available through the HEARTH Act. The City of Kalamazoo's Deputy City Manager serves on the LAB.
- Semi-Annually, community-wide CoC meetings are also held in the City.

The CoC provides notice of the meetings through a variety of venues including email distribution lists, announcement at CoC committee meetings, through the LISC Local Advisory Board (LAB), and postings on the CoC website. Email lists are inclusive of a broad range of community partners both CoC members, formerly homeless and non-members. Additionally, housing professionals participate in the affiliated LISC Community Housing Committee that considers and provides feedback about community needs and initiatives and CoC activities and plans.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) 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. In 2014, the Allocations & Accountability Team (CoC committee with City staff member) and the CoC Board approved three CoC policies that expanded previous "guiding principles" and provide written standards for specific programs, projects and activities that address the needs of homeless persons including:

i. ***Prioritization of Permanent Housing Beds for the Chronically Homeless***

ii. ***Policy Advocating Community Housing First Principles***

iii. ***Policy on Rapid Re-Housing Principles***

The policy for Prioritization of Permanent Housing Beds for the Chronically Homeless, addresses, in detail, how CoC permanent housing beds as prioritized to serve the chronically homeless and other homeless with higher acuities.

Additionally, the following CoC organizations address the needs of homeless individuals and families, families with children, veterans, and unaccompanied youth:

Catholic Family Services has five distinct programs: the Ark Shelter is a short term emergency shelter serving youth 10-17, the Ark Community Services & Street Outreach program providing transitional living services to youth 16-21 from nine counties, the Caring Network program for pregnant women and their families, Baraga Manor a 48 unit housing complex for older and mobility impaired adults, and Bridges Mental Health Counseling providing mental health counseling to individuals and families.

Housing Resources Inc., operates the Eleanor House Rapid Re-Housing Center-a 24 bed facility serving homeless families with children. HRI also operates the 49-unit Rickman House that provides permanent housing and supportive services for previously chronically homeless, mentally ill single adults. They also own and operate three family housing developments with a total of 249 affordable housing units.

Kalamazoo Community Mental Health & Substance Abuse Services (KCMHSAS) serves individuals and families through person/family centered planning to persons within the priority populations as defined in the Michigan Mental Health Code including: persons with serious mental illness; addictive disorders; children with severe emotional disturbances; and persons with developmental disabilities. The range of programs available includes Crisis Residential Placement, Respite Services, Assertive Community Treatment, Club House Programs, Assessment and Evaluation, Medication Administration, Skill Building Assistance, Substance Abuse Services and Case Management.

The YWCA offers victims of domestic violence and their dependent children a secure on-site shelter (52 bed capacity), counseling, referral and advocacy services for residential and non-residential clients, and two intensive post-shelter programs (Families First and Transitional Supportive Housing) that address the ongoing housing needs of clients and their children.

Volunteers of America provides supportive Services for Veteran Families (SSVF) funding and support and contacts veterans with other housing options at the VA Center in nearby Battle Creek.

Other local agencies including MI Works, Goodwill Services, Salvation Army, Lutheran Family Services, CARES (Housing Opportunities for Persons with Aids), Ministry with Community participate in the CoC and provide valuable resources for homeless and vulnerable households.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

The Continuum of Care (MI-507 Portage/Kalamazoo City and County CoC) was instrumental in the development of the City of Kalamazoo's 2014-2018 Consolidated Plan. In conjunction with a comprehensive communitywide planning process and implementation strategy known as, "Open Doors," a 10-Year Plan to End Homelessness, the Emergency Solutions Grant (ESG) program, offers financial assistance to organizations that serve the homeless.

The CoC and the City of Kalamazoo Community Planning & Development Department combine their Emergency Solutions Grants (ESG), funded by the United States Department of Housing & Urban Development (HUD) and the Michigan State Housing Development Authority (MSHDA), into a single local application process.

The City's consultation with the CoC serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, develop funding, policies and procedures for the operation and administration of HMIS to include:

- City Administrative and Community Development staff are appointed to permanent seats on the CoC's governing body, LISC's Local Advisory Board (LAB), and the Allocations & Accountability Team (AAT CoC Committee); this enables the City to interact with agencies that work to end homelessness and the development of strategies and goals of the Continuum of Care.
    - The LISC Local Advisory Board (LAB) approves the ESG Local Application Form (LAF), scoring guidance and grant schedule. The LAB appointed Allocations and Accountability Team (AAT) establishes CoC policies and procedures and meets to review aggregated information from the LAF and HMIS and makes agency funding recommendations to the LAB for approval. The LAB approves the final ESG allocations levels for each agency.

- The City of Kalamazoo utilizes a Sub recipient Agreement with ESG service providers to determine overall performance by receipt of monthly accomplishment reports and meeting annual outcomes detailed in their Agreement.

- A Performance Tracking System to help sub recipients meet their monthly, bi-annual, and yearly goals. 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's (NOFA) and the Grantor's defined rules, are encouraged to apply for funding. The ESG Notice of Funding Availability (NOFA) is distributed by email to more than 100 "Community Partners" and is posted in the local newspaper and on the CoC Web-Site.

In order for an agency to be selected for funding, they must be able to illustrate that their organization:

1. Will abide by the ESG NOFA, the ESG/MSHDA Policies and Procedures and all adopted CoC polices.
2. Adopted the 10-year Plan to End Homelessness at the board level.
3. Understands that they cannot discriminate (CoC Fair Housing Policy) or require clients to participate in any religious activities (CoC Funding Policies and Procedures).
4. Participates in HMIS data entry through Service Point and is participating in the community-wide QSOBAA to allow sharing within HMIS.
5. Designated a "Navigator", who works to eliminate barriers to housing services by participating in the Systems of Care Team.

6. At least one member of the organization has been an active member of the CoC; and has attended at least 50% of the team meetings for which they are members (if new applicant, will attend 50% of the team meetings for which they become members).
7. Have demonstrated capacity for sound financial, program management; and
8. Are in compliance with all federal, state and local programs for which they receive funding.

The CoC priorities for funding are, but not limited to, the following:

1. **Ensure emergency housing needs are met**.

2. **Adoption of proven tools to prevent and end homelessness:** Use of a comprehensive community-based prevention and rapid re-housing systems that embrace Progressive Engagement and Housing First activities.

3. **Promote program models:** With successful measureable outcomes that are supported by data.

4. **Break down silos**: Collaborate and coordinate across the CoC to ensure that local, state, and federal resources are used effectively and efficiently to end homelessness.

5. **Re-align Programs**: Work as a community to re-align program dollars to keep people housed or to rapidly re-house them.

6. **Build Public Support and Political will for ending homelessness** by sharing data and best practices with mayors, county officials, schools, and other interested parties.

7. **Data collection, analysis, and reporting**: Collect and analyze data via the Homeless Management Information System (HMIS); (Domestic Violence Agencies use alternative systems.) Staff is trained on entering data and how to share data with referral organizations.

8. **Implement Continuous Quality Improvement** and at a minimum the performance measure outcomes as required and outlined in quarterly progress reports;

9. **Use of shelter beds and transitional housing only when necessary and with a Housing First approach**; i.e. shelter diversion;

10. **Collaborate within the Interagency Service Teams** (Systems of Care Committee and Navigators) **to assist the hardest to serve**.

The CoC adopted the HUD developed system-level performance measures to help communities gauge their progress in preventing and ending homelessness. In addition to the Local Application Form, agency, project and HMIS data related to these performance measures are considered by the AAT and LAB when recommending and approving funding including;

1. Length of time persons remain homeless;
2. The extent to which persons who exit homelessness to permanent housing destinations return to homelessness;

3. Number of homeless persons;
4. Jobs and income growth for homeless persons in CoC Program-funded projects;
5. Number of persons who become homeless for the first time;
6. Successful housing placement.

The Continuum of Care also has an evaluation monitoring process to determine whether agencies are performing satisfactorily and effectively addressing homeless needs. Attention is also given to grantees rate of spending, consistency with designated Emergency Solution Grant goals and data entry quality.

2. Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdiction's consultations with housing, social service agencies and other entities

Table 5 – Agencies, groups, organizations who participated

1	**Agency/Group/Organization**	**Senior Services**
	Agency/Group/Organization Type	Services-Elderly Persons Services-Persons with Disabilities
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The City has ongoing consultation with Senior Services through work on individual projects. This consultation has and will continue to provide direction for needed services and outreach.
2	**Agency/Group/Organization**	**Fair Housing Center of Southwest Michigan**
	Agency/Group/Organization Type	Housing Service-Fair Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The City works with the Fair Housing Center of Southwest Michigan to carry out fair housing training activities for area landlords and tenants. Fair Housing provides complaint data. This consultation has and will continue to provide direction for future fair housing training, outreach and testing.
4	**Agency/Group/Organization**	**Kalamazoo Valley Habitat for Humanity**
	Agency/Group/Organization Type	Housing Services - Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Market Analysis Economic Development Lead-based Paint Strategy

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The City has ongoing consultation with Kalamazoo Valley Habitat through work on individual projects. In addition, agency participated in the 2014 HUD Roundtable to discuss City needs surrounding healthy homes, youth and economic development. This consultation has and will continue to provide direction for needed services and outreach.
5	**Agency/Group/Organization**	**Local Initiative Support Corporation**
	Agency/Group/Organization Type	Housing Services - Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs Market Analysis Economic Development Anti-poverty Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The City has ongoing consultation with Kalamazoo Valley Habitat through work on individual projects. In addition, agency participated in the 2014 HUD Roundtable to discuss City needs surrounding healthy homes, youth and economic development. This consultation has and will continue to provide direction for needed services and outreach.
6	**Agency/Group/Organization**	**Community Homeworks**
	Agency/Group/Organization Type	Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Market Analysis Economic Development Lead-based Paint Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The City has ongoing consultation with Community Homeworks through work on individual projects. In addition, agency participated in the 2014 HUD Roundtable to discuss City needs surrounding healthy homes, youth and economic development. This consultation has and will continue to provide direction for needed services and outreach.

7	**Agency/Group/Organization**	**Urban Alliance**
	Agency/Group/Organization Type	Housing Services - Housing
	What section of the Plan was addressed by Consultation?	Public Housing Needs Homeless Needs - Chronically homeless Non-Homeless Special Needs Anti-poverty Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	UA participated in the 2014 HUD Roundtable to discuss City needs surrounding health homes, youth and economic development. This consultation has and will continue to provide direction for needed services and outreach.
8	**Agency/Group/Organization**	**Kalamazoo Neighborhood Housing Services**
	Agency/Group/Organization Type	Housing Services - Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Non-Homeless Special Needs Economic Development Anti-poverty Strategy Lead-based Paint Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The City has ongoing consultation with KNHS through work on individual projects. In addition, agency participated in the 2014 HUD Roundtable to discuss City needs surrounding healthy homes, youth and economic development. This consultation has and will continue to provide direction for needed services and outreach.
9	**Agency/Group/Organization**	**Kalamazoo Community Mental Health**
	Agency/Group/Organization Type	Services-Persons with Disabilities Services-homeless Services-Health
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency participated in 2014 HUD Roundtable to discuss City needs surrounding healthy homes, youth and economic development.
10	**Agency/Group/Organization**	**Vine Neighborhood Association**
	Agency/Group/Organization Type	Housing Neighborhood Organization

	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Non-Homeless Special Needs Market Analysis Economic Development Anti-poverty Strategy Lead-based Paint Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The City meets quarterly with the Vine Neighborhood Association to address community needs. This consultation has and will continue to provide direction for needed services and outreach. In addition, this association participated in the 2014 HUD Roundtable to discuss City needs surrounding healthy homes, youth and economic development.
11	**Agency/Group/Organization**	**MSHDA**
	Agency/Group/Organization Type	Housing Services - Housing Other government - State
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Strategy Non-Homeless Special Needs Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency participated in the 2014 HUD Roundtable to discuss City needs surrounding healthy homes, youth and economic development. This consultation has and will continue to provide direction for needed services and outreach.
12	**Agency/Group/Organization**	**Edison Neighborhood Association**
	Agency/Group/Organization Type	Housing Services - Housing Neighborhood Organization
	What section of the Plan was addressed by Consultation?	Homelessness Strategy Non-Homeless Special Needs Market Analysis Economic Development Anti-poverty Strategy Lead-based Paint Strategy

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The City meets quarterly with the Edison Neighborhood Association to address community needs. This consultation has and will continue to provide direction for needed services and outreach. In addition, this association participated in the 2014 HUD Roundtable to discuss City needs surrounding healthy homes, youth and economic development.
13	**Agency/Group/Organization**	**Northside Neighborhood Association Community Development**
	Agency/Group/Organization Type	Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Non-Homeless Special Needs Economic Development Anti-poverty Strategy Lead-based Paint Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The City meets quarterly with the NCAD to address community needs. This consultation has and will continue to provide direction for needed services and outreach.

Identify any Agency Types not consulted and provide rationale for not consulting - N/A

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Local Initiatives Support Corporation	Share common outcomes

Table – 6 Other local / regional / federal planning efforts

AP-12 Participation – 91.105, 91.200(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation
Summarize citizen participation process and how it impacted goal-setting

Community Planning and Development met monthly with the Community Development Act Advisory Committee (CDAAC), which is comprised of citizen representatives from the six core low/mod neighborhoods and four at-large city representatives. Each of these representatives shared opportunities offered by the city with their neighborhoods organizations and in-turn shared community concerns and needs as reflected in the city's 2014/2018 Consolidated Plan. Information shared heavily impacted the development of the 2017/2018 Action Plan due to current needs continue to reflect the five year Consolidated Plan.

Table - 7. Citizen Participation Outreach – To be updated after 30-day comment period

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Neighborhood Meetings	Minorities Non-English Speaking - Specify other language: Spanish Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing	Neighborhood meetings were held monthly and opened to the public. Representatives from the communities were present and engaged.	CDAAC areas of discussions resulted in feedback addressing the following: lack of affordable housing, homeless needs, poverty, economic development and the need for more youth programs.	All comments were accepted.	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
2	Public Hearing	Minorities Non-English Speaking - Specify other language: Spanish Persons with disabilities Non-targeted/broad community	Two public hearings were held (March 9th & April 13th) which followed the City's 30 day public comment period and welcomed continued input from the community regarding the Action Plan. The action plan posted for public comment mimics CP&D 2014/2018 Consolidated Plan and the needs addressed by the community through CDAAC for the 2017/2018 year.	Citizens voiced support for the City's drafted Action Plan to provide funding for the following areas: lack of affordable housing, homeless needs, economic development and the need for more youth programs.	There were no comments that were not accepted.	

Expected Resources

AP-15 Expected Resources – 91.220(c) (1, 2)

Introduction

Each year the City of Kalamazoo is required to submit an Action Plan to HUD. The intent of the plan is to identify how federal grant funds received by the City will be utilized during that program year to address the priority needs acknowledged in the City's Consolidated Plan. Program Year (PY) 2017 Annual Action Plan (July 1, 2017 through June 30, 2018) represents the **fourth program year** in which to address the needs identified in the City of Kalamazoo's 2014 - 2018 Consolidated Plan, approved by the Kalamazoo City Commission on May 19, 2014.

The Action Plan constitutes the City's application to HUD for its Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), and Emergency Solutions Grant (ESG) funding allocations, which are the primary resources for addressing Kalamazoo's housing and community development needs. The City expects to receive approximately **$1,843,810** in PY2017 funding through the **CDBG ($1,339,087), HOME ($380,205)**, and **ESG ($124,518)** federal entitlement grants. The City and its Subrecipients will also utilize approximately **$85,404 in anticipated program income** in PY2017. The City has unallocated CDBG funds from prior years in the amount of **$196,854** to be allocated in FY 2018 The complete available budget to include unallocated funds for **PY2017 totals $2,360,436**.

The Community Planning and 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, local nonprofits, and for-profits which address the housing and community development needs of the City and its residents.

Decisions about the annual allocation of federal resources is based upon the 2014 - 2018 Consolidated Plan, which was developed after a thorough public participation process conducted both informally with community partners, stakeholders, neighborhood organizations and residents and formally via public hearings. The priorities, goals and objectives outlined in the Consolidated Plan were developed 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.

Based on the analysis of needs and the input received, the City's priority needs and expected resources for 2017 are as follows:

Table Priority - 8 Expected Resources - Priority Table

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 4				Expected Amount Available Reminder of ConPlan	Narrative Description
			Annual Allocation: $	Program Income: $	Prior Year Resources: $	Total: $	$	
CDBG	Public - Federal	· Administration · Housing Rehabilitation · Minor/Emergency Home Repair · Support of TBRA · Support Fair Housing · Public infrastructure improvements · Code Enforcement · Crime Prevention · Transformative Neighborhood Projects · Youth programming	**$ 1,339,087**	**$ 85,404**	**$ 196,854**	**$ 1,621,345**	**$ 2,196,242**	These funds will leverage City dollars through public infrastructure investment and other City services. In addition, other local, state, and federal funds will be leveraged by City sub recipients for housing activities.

ESG	Public - Federal	· Administration support for Continuum of Care · Prevention · Rapid Re-Housing · Shelter Operational Support · Supportive services	**$ 124,518**	**$ -**	**$ -**	**$ 124,518**	**$ 128,227**	The Continuum of Care will leverage City funds with other HUD ESG funding
HOME	Public - Federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	**$380087**			**$ 380,087**	**$288,162**	HOME dollars will leverage additional HOME funds from other local funders, MSHDA and federal sources

Table 1 – Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

Often, additional resources are leveraged by our Subrecipients and partners to complete a project. These leveraged funds often come from the State of Michigan through the Michigan State Housing Development Authority or through foundations like the Kalamazoo Community Foundation. However, these funds are not known until the Subrecipient submits an application through the City's competitive application process.

Community Development Block Grant funds will leverage additional resources as follows:

- Public Infrastructure projects will be supported with additional City and State infrastructure dollars.
- Code enforcement, crime prevention and youth services will leverage additional City general fund dollars. Subrecipients of the City will leverage Michigan State Housing Development Authority and other State funds, as well as nongovernmental funding to expand the scope of rehabilitation assistance.

HOME Investment Partnership Funds will leverage additional public and private investment:

Homeownership investment will be supported by other agencies such as the Michigan State Housing Development Authority and community foundation grants.

- Rental projects may leverage additional funding from HUD; the Federal Home Loan Bank programs; the application of Low Income Housing Tax Credits; private equity investment, private construction and acquisition financing; and other private sources.
- HOME match requirements will be achieved through the donation of property, labor and materials, as well as payments in lieu of taxes for affordable housing developments in the City.

Emergency Solutions Grant funding will leverage additional investment as follows:

- The Kalamazoo County Continuum of Care receives approximately $1.8 million in grant funding from HUD and approximately $300,000 from the Michigan State Housing Development Authority each year.

- City Subrecipients also receive grants from funders like The United Way and other nongovernmental organizations. Match requirements will be met through these funders.

If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

No publicly owned land will be utilized.

Discussion

Annual Goals and Objectives

AP-20 Annual Goals and Objectives - 91.420, 91.220(c)(3)&(e)
Goals Summary Information

AP-20 Annual Goals and Objectives - 91.420, 91.220(c)(3)&(e)
Goals Summary Information

Table - 9 Goals and Objectives

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Affordable Housing	2014	2018	Affordable Housing	City-wide low-income households CDBG-Eligible Census Tracts	Rehabilitation of Existing Units Rental Assistance	CDBG: $331,375 HOME: $422,450	Rental units rehabilitated: 0 Household Housing Unit Homeowner Housing Added: 2 Household Housing Unit Homeowner Housing Rehabilitated: 112 Household Housing Unit Tenant-based rental assistance: 41Households Assisted

2	Homeless Assistance	2014	2018	Homeless	City-wide low-income households	Rapid Re-Housing Home less Prevention	ESG: $124,518	Homeless Person Overnight Shelter: 149 Persons Assisted Homelessness Prevention: 126 Persons Assisted
3	Neighborhood Enhancement	2014	2018	Non-Housing Community Development (NE, Demolition, Code, Parks & Rec)	CDBG-Eligible Census Tracts	Public Improvements/Infrastructure Public Services	CDBG: $727,591	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 28884 Persons Assisted Public service activities other than Low/Moderate Income Housing Benefit: 28884 Persons Assisted Buildings Demolished: 7 Buildings Housing Code Enforcement/Foreclosed Property Care: 300 Household Housing Unit

4	Youth Development	2014	2018	Non-Homeless Special Needs	City-wide low-income households CDBG-Eligible Census Tracts	Public Services	CDBG: $12,304	Public service activities other than Low/Moderate Income Housing Benefit: 0 Persons Assisted

Table 1 – Goals Summary

Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.215(b):

A total of 153 families/households are planned to be assisted with housing during FY 2017-2018 (41 renters (TBRA) and 112 homeowners). All households benefitting are extremely- low, low, or moderate income. The 41 rental units and 112 homeowners will be assisted under the CDBG, HOME and ESG programs. The criteria established by the City of Kalamazoo for households to benefit under this program conforms to the CDBG and HOME Program affordability requirements.

AP-35 Projects – 91.220(d)

Introduction

The City of Kalamazoo continues to conduct meetings to address its goals and needs. Goals and needs addressed are either carried out by the City or through one of its Subrecipient nonprofit partners.

Table 10 - Project Information under "AP-35 Projects *91.220(d)*" is amended to reflect the cancellations of the Frank B. Lay project and Kalamazoo Collective project at the request of the Subrecipients.

Table - 10 Project Information

#	Project Name
1	CDBG Planning and Administration
2	Code Enforcement
3	Demolition
4	Fair Housing Activities
5	Public Facility & Infrastructure
6	Public Safety - Neighborhood Officers
7	Critical Home Repair
8	TBRA - Administration
9	Home Repair for the Elderly
10	LISC Continuum of Care
11	Tenant Based Rental Assistance (TBRA)
12	Lease Purchase

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

The reasons for allocation priorities results from the City of Kalamazoo completing an extensive outreach process as part of the development of the 2014-2018 Consolidated Plan. This outreach was evaluated against the data collected for the plan; the realities that the City must consider when determining priorities like yearly budgets, staff capacity, etc.; and, what other funders are doing 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 2014-2018 Consolidated Plan.

Obstacles to addressing underserved needs are due to the reduction of financial resources, which results in decreased staff and less funding to local nonprofit providers. Kalamazoo continues to experience a number of obstacles in helping those most in need. More innovative and creative partnerships and funding schemes will need to be considered as these obstacles, particularly funding, are likely to continue.

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, is needed to develop an affordable housing strategy. The City will continue to invest in affordable housing through both the CDBG and HOME grant programs.

Providing services, particularly housing, to the chronically homeless continues to be a challenge in Kalamazoo. The small numbers 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 frequent 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 or their communities.

To have a more proactive approach to homeless prevention, the Continuum of Care developed the Systems of Care team. They established work groups to address the needs/barriers of those that may become homeless. The team works to promote the adoption of evidence-based and promising program practices in support of a Housing First philosophy of care. They prioritize Continuous Quality Improvement in service delivery and educate and inform members on national and community best practices.

In general, the City, particularly the Department of Community Planning and Development, are making an effort to strengthen its relationship with county partners. The Kalamazoo County Department of Health and Community Services houses the Kalamazoo County Community Action Agency, which provides programs and services to help low income households achieve greater economic self-sufficiency. Working towards intergovernmental cooperation could result in joint community development projects, data sharing and best practices.

Projects

AP-38 Projects Summary

Table 11 - Project Summaries under "AP-38 - Projects Summary" is amended to reflect the cancellations of the Frank B. Lay project and Kalamazoo Collective project at the request of the Subrecipients

Project Summary Information
Table - 11 Project Summaries

1	**Project Name**	**CDBG Planning and Administration**
	Target Area	City-wide low-income households
	Goals Supported	Affordable Housing Homeless Assistance Neighborhood Enhancement Youth Development
	Needs Addressed	Administration of Programs
	Funding	CDBG: $267,817
	Description	The CP&D Department will utilize the 20% percent cap available from the entitlement funding for management, monitoring and coordination of CDBG Activities.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	There is population of approximately 75,548 residing in the City of Kalamazoo of a non-low/mod and low-mod status will benefit from proposed activity.
	Location Description	415 Stockbridge Avenue Kalamazoo, MI 49001
	Planned Activities	Administration of the CDBG program for the 2017 program year to include: monitoring, reporting, technical assistance, etc.

2	**Project Name**	**Code Enforcement**
	Target Area	CDBG-Eligible Census Tracts
	Goals Supported	Neighborhood Enhancement
	Needs Addressed	Rehabilitation of Existing Units
	Funding	CDBG: $400,000
	Description	The CP&D Department will fund Housing Inspectors and Anti-Blight staff who work in the CDBG-eligible Census Tracts to reduce slum and blight.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	The Code Enforcement and Anti-Blight teams work within the CDBG-eligible neighborhoods to reduce the instances of slum and blight in these neighborhoods. There is a population of approximately 26,329 living in the six core (Eastside, Edison, Stuart/ Douglass, Northside, Southside, and Vine) neighborhoods. Approximately 68 percent of these households have incomes at 80 percent or less of the area median income and approximately 43.1 percent live below the federal poverty line.
	Location Description	The activities will take place in the 1.00, 2.01, 2.02, 3.00, 5.00, 6.00, 9.00, 10.00 and 11.00 Census tracts.
	Planned Activities	The City's Code Enforcement and Anti-Blight Team will contribute to the quality of owner housing in the City through their enforcement efforts in the CDBG-eligible neighborhoods. The team will manage the following type of activities: abandoned residential structure cases; secure and board structures open to casual entry; condemn structures; work with the Building Board of Appeals; issue graffiti violations conduct inspections and enforcement of dangerous structures or dilapidated structures, structures found open to casual entry, trash and junk on private property, curb lawn trash, zoning violations, tall grass/weeds, and graffiti.and general blight.
3	**Project Name**	**Demolition**
	Target Area	CDBG-Eligible Census Tracts
	Goals Supported	Neighborhood Enhancement
	Needs Addressed	Neighborhood Improvements
	Funding	CDBG: $43,000
	Description	Spot blight demolition of approximately 5 vacant/blighted residential structures in eligible CDBG neighborhoods.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	There is a population of approximately 26,329 living in the six core CDBG-Eligible Census Tracts (Eastside, Edison, Stuart/ Douglass, Northside, Southside, and Vine) neighborhoods. Approximately 68 percent of these households have incomes at 80 percent or less of the area median income and approximately 43.1 percent live below the federal poverty line that will benefit from this proposed activity.

	Location Description	The activities will take place in the 1.00, 2.01, 2.02, 3.00, 5.00, 6.00, 9.00, 10.00 and 11.00 Census tracts.
	Planned Activities	Will demolish five vacant, abandoned single-family residential structures.
4	**Project Name**	**Fair Housing Activities**
	Target Area	City-wide low-income households
	Goals Supported	Affordable Housing
	Needs Addressed	Public Services
	Funding	CDBG: $18,000
	Description	Public service funding will be provided to support City staff who will conduct fair housing activities to support the 2014 Assessment of Fair Housing Plan.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	There is a population of approximately 75,548 residing in the City of Kalamazoo of a non-low/mod and low-mod status that will benefit from proposed activity. Families experiencing discrimination will benefit from this proposed activity.
	Location Description	City wide
	Planned Activities	Public service dollars will be utilized to address the action items from the 2014 Assessment of Fair Housing Plan. In addition, community outreach, provider testing, complaint investigation and technical assistance to the City and federally funded sub recipients will be provided.
5	**Project Name**	**Parks and Recreation**
	Target Area	CDBG-Eligible Census Tracts
	Goals Supported	Neighborhood Enhancement
	Needs Addressed	Public Facilities
	Funding	CDBG: $12,304
	Description	Infrastructure
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	There is a population of approximately 26,329 living in the six core CDBG-Eligible Census Tracts (Eastside, Edison, Stuart/ Douglass, Northside, Southside, and Vine) neighborhoods. Approximately 68 percent of these households have incomes at 80 percent or less of the area median income and approximately 43.1 percent live below the federal poverty line that will benefit from this proposed activity.
	Location Description	The activities will take place in the 1.00, 2.01, 2.02, 3.00, 5.00, 6.00, 9.00, 10.00 and 11.00 Census tracts.`
	Planned Activities	The City of Kalamazoo Public Service Department will use CDBG funds to enhance the infrastructure of core neighborhoods within CDBG-eligible census tracts.

6	**Project Name**	**Public Safety - Neighborhood Officers**
	Target Area	CDBG-Eligible Census Tracts
	Goals Supported	Neighborhood Enhancement
	Needs Addressed	Public Services
	Funding	CDBG: $150,000
	Description	The City of Kalamazoo Public Safety Department will use CDBG funds toward the salaries of two public safety officers for crime awareness and prevention in the low- to moderate-income neighborhoods.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	Families within the CDBG-eligible neighborhood will benefit from this activity as Community Policing Officers will provide needed crime prevention activities. Partnerships will be established with the neighborhood associations to ensure outreach to the community.
	Location Description	The activities will take place in the 1.00, 2.01, 2.02, 3.00, 5.00, 6.00, 9.00, 10.00 and 11.00 Census tracts.`
	Planned Activities	The role of the Community Policing Special Unit is to prevent crime through identification of trends and the creation of action plans for resolution in partnership with neighborhood and community organizations. 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 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, so they can discuss prevention strategies and develop a comprehensive prevention approach in a timely manner. 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. The partnership between Public Safety and the citizens of the CDBG-eligible neighborhoods will assist in solving problems creatively to prevent crime.
7	**Project Name**	**Critical Home Repair (Community Homeworks)**
	Target Area	City-wide low-income households
	Goals Supported	Affordable Housing
	Needs Addressed	Rehabilitation of Existing Units
	Funding	CDBG: $200,000
	Description	Community Homeworks will use CDBG funding to complete approximately 80 critical home repairs for low- to moderate-income homeowners.
	Target Date	6/30/2017

	Estimate the number and type of families that will benefit from the proposed activities	Eighty (80) low-income households will benefit from this proposed activity.
	Location Description	City-wide low-income households
	Planned Activities	Minor/emergency home repair and moderate housing rehabilitation
8	**Project Name**	**TBRA – Administration** (HRI)
	Target Area	City-wide low-income households
	Goals Supported	Affordable Housing
	Needs Addressed	Rental Assistance
	Funding	CDBG: $56,375
	Description	Housing Resources, Inc. will use CDBG funds to administer the Family Self-Sufficiency/TBRA program. It is estimated that 41 households will receive direct financial assistance through HOME TBRA with related technical and social services. Staff intake and related services/administration will be provided through CDBG.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	Approximately 41 households will benefit from this propose activity
	Location Description	City wide
	Planned Activities	Housing counseling, rental inspections, and rental assistance.

9	**Project Name**	**Home Repair for the Elderly (**Senior Services**)**
	Target Area	City-wide low-income households
	Goals Supported	Affordable Housing
	Needs Addressed	Rehabilitation of Existing Units
	Funding	CDBG: $75,000
	Description	Senior Services, Inc. will use CDBG funds to perform minor home repairs and barrier-free accessibility enhancements to approximately 32 housing units owned by senior citizens in CDBG-eligible Census Tracts throughout the City of Kalamazoo.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	Thirty-Two (32) senior households will benefit from this proposed activity.
	Location Description	CDBG-eligible neighborhoods
	Planned Activities	Minor/emergency home repair and ADA accessibility improvements
10	**Project Name**	**LISC Continuum of Care**
	Target Area	City-wide low-income households
	Goals Supported	Homeless Assistance
	Needs Addressed	Homeless Prevention
	Funding	CDBG: $18,000
	Description	LISC will provide technical assistance, capacity building training, and evaluation to approximately four housing and community development non-profit organizations, including CHDOs, operating in the City of Kalamazoo, primarily in the eligible CDBG neighborhoods. LISC will also provide staff for the Affordable Housing Partnership.
	Target Date	06/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	Homeless families will benefit from this proposed activity.
	Location Description	City-wide
	Planned Activities	Administration of the Continuum of Care.

11	**Project Name**	**Tenant Based Rental Assistance (TBRA) –** (HRI)
	Target Area	City-wide low-income households
	Goals Supported	Affordable Housing
	Needs Addressed	Rental Assistance
	Funding	HOME: $75,200
	Description	Housing Resources, Inc. will use HOME funds for rental and rent deposit assistance to approximately 55 households through its TBRA program.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	Approximately 41 Low-income families will benefit from this proposed activity.
	Location Description	City-wide
	Planned Activities	Tenant based rental assistance
12	**Project Name**	**Property Development for Homeownership** (Fair Housing Center of Southwest Michigan)
	Target Area	CDBG-Eligible Census Tracts
	Goals Supported	Affordable Housing
	Needs Addressed	Rehabilitation of Existing Units
	Funding	HOME: $70,637
	Description	Fair Housing Center will use HOME funds to rehabilitate and lease one vacant single family homes.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	One (1) low-income family will benefit from this proposed activity.
	Location Description	CDBG-eligible neighborhoods
	Planned Activities	Acquisition and rehabilitation of one vacant single-family housing units to be included in Lease/Purchase program.

AP-50 Geographic Distribution – 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

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 neighborhoods and Census tracts are:

67.9% Eastside – 1.00

67.9% Central Business District – 2.01

80.5% Northside – 2.02 and 3.00

68.7% Douglas/Stuart – 5.00

72.85 Vine – 6.00

68.5% Edison – 9.00, 10.00 and part of 11.00

55.5% Southside – 11.00

52.1% Oakwood – 16.03

HOME and ESG funds are intended to be used throughout the City.

Geographic Distribution

Target Area	Percentage of Funds
City-wide low-income households	56%
CDBG-Eligible Census Tracts	44%

Table- 12 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

The focus of CDBG funding in these areas was not only because of eligibility under HUD rules. Many of the core neighborhoods have additional socioeconomic reasons that warrant concentrating resources. Approximately 32 percent of individuals residing in the City of Kalamazoo are living below the federal poverty level. This is almost double the rate of individuals living below the poverty level for the State of Michigan and Kalamazoo County. While the City is experiencing higher rates of poverty, only three Census tracts meet HUD's definition of "racially or ethnically concentrated areas of poverty." An area must have a non-White/Caucasian population of 50 percent or more and poverty rate that exceeds 40 percent to be considered concentrated.

The three Census tracts are 1.00 (Eastside) and 2.02 and 3.00 (Northside). The Eastside Neighborhood has a poverty rate of 47.5 percent and 76.3 percent of the population is of minority status. The Northside Neighborhood (2.02 and 3.00) averages a poverty rate of 45.4 percent and a minority population of 92.1 percent.

The core neighborhoods also have much older housing stock. Approximately 90 percent of the homes were built prior to 1979, which raises the risk of lead based paint. Over 90 percent of the homes in

Census tracts 2.02 (Northside), 6.00 (Vine), 9.00 (Edison), and 16.03 (Oakwood) were built before 1979. According to the 2012 American Community Survey, approximately 60 percent of the homes found in the 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.

It appears that neighborhood disparities in accessing community assets exist between the more affluent neighborhoods in the City and many of the core neighborhoods. The Edison and Northside Neighborhoods struggle with poor performing schools, have higher percentages of poverty and persons receiving public assistance. Not unexpectedly, these same neighborhoods tend to have lower participation in the labor market, lower percentage of persons employed and lower percentage of persons with either a high school or bachelor's degree. Access to employment centers may be more problematic because of difficulties accessing the transit system or limited financial means to own and maintain a car.

HOME and ESG funds are intended to be used throughout the City. HOME funds are predominately utilized to develop affordable housing. Dispersing affordable housing throughout the City helps to prevent concentrating low income residents within one neighborhood. ESG funds are predominately to assist the homeless. Many of the homeless shelters are located within downtown Kalamazoo or the core neighborhoods. However, the homeless prevention and rapid re-housing component of ESG may find funds spent throughout the City.

Discussion

Affordable Housing

AP-55 Affordable Housing – 91.220(g)

Introduction

Affordable housing continues to be a priority for the City of Kalamazoo. Currently, there are more households in need of affordable housing than units available. For PY2017, the following goals are expected:

One Year Goals for the Number of Households to be Supported	
Homeless	452 ESG
Non-Homeless	41 TBRA – Counseling Housing Quality Insp
Special-Needs	86 ESG
Total	**579**

Table - 13- One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	41- HRI - TBRA
The Production of New Units	0
Rehab of Existing Units	13 (K Collective/College Tn/FH)
Acquisition of Existing Units	0
Total	**54**

Table – 14 - One Year Goals for Affordable Housing by Support Type

Discussion

The total numbers between the two tables differ because of the number of households that are expected to receive minor or emergency home repair, which have not been classified as full rehabilitation. In addition, one home is expected to receive down payment assistance which is also not included in the first table.

AP-60 Public Housing – 91.220(h)

Actions planned during the next year to address the needs to public 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," that is, ensuring that affordable housing is available throughout the County, and not just within the City of Kalamazoo. No direct funding actions are planned with the Public Housing Commission in PY2017.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

The City will work with the Public Housing Commission to encourage residents to volunteer for the Community Development Act Advisory Committee, which works with the Community Planning and Development staff to advise the City Commission on matters pertaining to housing and community development within the City of Kalamazoo

AP-65 Homeless and Other Special Needs Activities – 91.220(i)

Introduction

The following activities, either supported by the City or our nonprofit community partners, will assist in the reduction or elimination of homeliness in Kalamazoo.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

Housing Resources, Inc. and Goodwill Industries sponsor a weekly Community Housing Hour, which includes a number of housing and social service providers that help resolve housing issues. The event reaches out to both the homeless and those in danger of becoming homeless. Organizations include the Department of Human Services, Legal Aid of Southwest Michigan, Kalamazoo Community Mental Health and Kalamazoo Neighborhood Housing Services. The type of services provided include housing search information, prevention of eviction, emergency shelter referrals, foreclosure and homeownership, budgeting and resources for landlords and tenants.

Kalamazoo Community Mental Health and Substance Abuse Services support a Housing Recovery Center, which assists individuals with finding and maintaining affordable housing. One of the services the Recovery Center offers is outreach to people living in emergency shelters and places not meant for human habitation. Ultimately, the outreach is to provide homeless individuals with the services they need and to help them find permanent and supportive housing.

Catholic Charities Dioceses of Kalamazoo utilizes a street outreach program grant from U.S. Department of Health and Human Services. The grant has enabled Catholic Charities to meet homeless youth at their point of need. The street outreach program allowed Catholic Charities to build upon and expand their current drop-in center services to have staff available on the street at designated times, seeking out youth who most need their services.

Addressing the emergency shelter and transitional housing needs of homeless persons

The countywide Coordinated Community Assessment System utilizes Gryphon Place 2-1-1 to provide crisis intervention and perform the initial centralized screening and intake process to determine primary and urgent needs. Individuals are prioritized based on the severity of their housing crisis. Persons with greatest need are referred to Housing Resources, Inc., the Lead Agency/Housing Assessment and Resource Agency (HARA), for housing assessment and development of the Community Housing Assistance Plan (CHAP). Those with an urgent need are referred to area emergency shelters where the CHAP is developed in consultation with the HARA.

The HARA schedules the housing assessment visit within two days of initial contact. The HARA Housing Resource Specialist creates the CHAP utilizing the Homeless Management Information System (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 City of Kalamazoo continues to provide ESG funds through the Kalamazoo County Continuum of Care to support emergency shelter and transitional housing needs. Exact outcomes will not be known until the application process, which will occur in the summer of 2017.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

Housing Resources Inc. (HRI), as the CoC's, Housing Assessment and Resource Center (HARA), hosts a Housing Stabilization Program providing community wide centralized intake and assessment and/or shelter diversion services, homeless prevention, focusing on reducing evictions for low income residents, rapid re-housing, rapidly exiting homeless households from emergency shelter to new sustainable housing options to avoid repeat episodes of homelessness, and permanent supportive housing, serving households were the head of household has a disability and who are chronically vulnerable to housing instability and repeat episodes of homelessness. Families and individuals are referred to the HARA for assessment and development of the Community Housing Assistance Plan (CHAP). Walk-in services are provided through centrally located satellite locations and at Ministry with Community, the local drop-in day shelter. Connections to services are also available at the weekly "Community Housing Hour"; located at the Goodwill Human Services Campus, multiple agencies participate in providing housing related information.

Gryphon Place's 2-1-1 Information and Referral service provides quick and easy access to information about service agencies (Dial 2-1-1 24 hours a day, 365 days a year) in Kalamazoo County. Community Resource Advisors work with callers to assess their needs, determine their options and provide appropriate programs/services, give support and advocate for the caller as needed.

The 2-1-1 Advisors have after-hour contacts for local housing agencies and shelters, the Access Center (Community Mental Health), Mobile Crisis Response (Youth), and public safety (welfare check, adult/child protective services). The local YWCA (Domestic Violence) and the ARK Youth Shelter maintain a 24- hour Hotlines; (269) 385.3587 and (800) 873-8336, respectively.

The CoC's prevention work includes a "homeless preference" vouchers registry and it works closely with the Michigan State Housing Development Authority's (MSHDA) agent who administers 947 Housing Choice Vouchers (HCV), 95 project-based, and HUD-VASH (veteran) vouchers.

In addition, the following programs have been developed to help prevent individuals and families from becoming homeless:

- The Eviction Diversion program is designed to prevent rental evictions, reducing the number of families and individuals who are at jeopardy of becoming homeless. This is a unique partnership between the court system and the Continuum of Care to prevent rental eviction.
- The Navigator Program is a results oriented program that strives to eliminate barriers to housing and services for those in most need. A nonprofit partner that provides housing and homeless services designates a person who is able to cut through barriers to resolve difficult situations when a client is in crisis, when repeated requests for service have not been addressed, or when

a client is repeatedly referred from agency to agency without action.

- Project Connect is a program that provides a day of assistance for families and individuals living in our community that are in need of services, ranging from haircuts, to Department of Human Services applications, from resume building to housing services. One important service that is provided is the ability to obtain birth certificates and personal identification, which is often a serious barrier to receiving other necessary benefits. More than 50 organizations come together and offer services at a single location.

In addition, the City funds Housing Resources, Inc. and Catholic Family Services with tenant based rental assistance (TBRA). These agencies expect to support up to 55 clients, some of which may be experiencing homelessness or in jeopardy of becoming homeless. Funds will also be provided through the ESG program toward rapid re-housing and homeless prevention.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.

Stakeholders and/or collaborating agencies that are responsible for ensuring that persons being discharged from a system of care are not routinely discharged into homelessness. In 2012, the CoC developed and adopted a formal CoC Discharge Planning policy statement, and in 2013 the CoC's Systems of Care Team "Discharge Workgroup," including a representatives from Bronson Healthcare the Michigan Department of Health & Human Services (foster care discharges) studied local discharge policies; they work to identify issues, gaps, and barriers to a systematic approach to discharge. Additionally, providers of youth services work closely with the resources of the Coordinated Assessment and Referral Agency (HRI); the CoC assessment/discharge planning process identifies and coordinates individualized supports and services needed to live successfully in the community for any Kalamazoo County citizen with a disability, condition, or problem related to any life transition. Individuals frequently note they will stay with family or friends upon discharge; housing options may include placement with family, enrollment in transitional housing programs funded by faith based providers, subsidized housing, project based housing, and room and board facilities.

The Continuum of Care and related policies regarding discharge includes:

HEALTH CARE. The two regional hospitals serving the CoC have multi-disciplinary teams with comprehensive protocols that consider the need for housing with an individualized discharge plan. Kalamazoo Community Mental Health and Substance Abuse Services Emergency Mental Health outreach workers also provide on call emergency mental health evaluation and program placement. The CoC provides a single coordinated assessment and referral point of entry for all housing related emergencies in partnership with 2-1-1 to ensure appropriate housing and other community resources eligibility is assessed. Services may include access to emergency, transitional and permanent housing options, case management, landlord liaisons, and emergency financial assistance.

MENTAL HEALTH CARE. Kalamazoo Community Mental Health and Substance Abuse Services (KCMHSAS) has the responsibility for ensuring that persons being discharged from a system of care are not routinely discharged into homelessness. As the CoC's provider of public mental health and substance abuse services in Kalamazoo County, as required by state statute, KCMHSAS has a comprehensive discharge and

planning policy. An individual written discharge plan is prepared for each client in order to provide continuity of services. One component of the Comprehensive Individualized Discharge Plan is related to housing and shelter. KCMHSAS also operates a Homeless/Housing Resource Center. The local options for housing range from market rate units, subsidized project-based, subsidized specialized supportive housing, SRO residences, room and board homes, adult foster care, specialized residential, crisis residential , transitional and emergency shelter.

FOSTER CARE. Providers of CoC funded youth services, Catholic Charities and Lutheran Services in Kalamazoo adhere to the formal foster care policy of the Michigan Department of Health and Human Services which directs the treatment of youth in foster care including discharge. Person centered planning is completed early in the assessment process to assist youth in learning life skills, financial literacy, employment, educational, housing maintenance, health and relationship and other skills that will lead to self-sufficiency. Permanency is central to these plans, including assisting the youth to build a long term relationship with one person who will stay involved with the youth and coordinate individualized support. Youth who are permanent wards may stay in foster care up to age 19 and possibly beyond if the youth is unstable. Youth are discharged to their own apartment, to live with friends, relatives or permanent foster parents, to college dorms and other arrangements, as called for in their housing plan.

CORRECTIONS. The Kalamazoo County Jail (Sheriff's Department), has discharge planning responsibility for those who are at risk of becoming homeless. The Sheriff's Department implemented a discharge policy in 2008 and assistance on housing and other supports to sustain housing is made available at or near discharge, if requested by the inmate. The Chaplin's office works with individuals to identify and coordinate community resources to meet the unique needs of each inmate. Information about housing assistance and other community based services are posted on boards internally within the jail. Inmates, at their option, are encouraged to take advantage of the information about housing or other related services. The CoC also works with faith based organizations that reach out to those with a history of criminal sexual conduct.

Veterans: The regional Veteran's Administration (VA) follows a set of discharge criteria when releasing patients into the community. VA social workers and case managers assess and work with the patients who are homeless to find them appropriate shelter before their release. The VA works with emergency shelters, other homeless housing, and supportive services providers in the Continuum of Care to assure suitable placement is achieved after discharge

Discussion

Table - 15

One year goals for the number of households to be provided housing through the use of HOPWA for: N/A
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family
Tenant-based rental assistance
Units provided in housing facilities (transitional or permanent) that are being developed, leased, or operated
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds
Total

AP-75 Barriers to affordable housing – 91.220(j)

Introduction

Barriers to affordable housing are varied and complex. Possible barriers to the development or retention of affordable housing are public policies, particularly those of the City. Such policies include land use controls, zoning ordinances, building codes, and policies that affect the return on residential investment. In addition to public policies, larger social issues and outside forces impact the ability to access affordable housing. Social issues like poverty and lack of employment, and outside forces like reductions in Federal and State funding to develop new housing, present a barrier to affordable housing.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

The following information reviews some of the possible barriers in Kalamazoo:

Land Use Controls

Most of the available land in the City has been developed. There are only a small number of large vacant tracts of land that remain, thereby limiting the future development of residential units. There are a number of smaller parcels that are vacant and suitable for infill construction of residential units. A number of vacant or underutilized commercial buildings are also prime locations for redevelopment, with residential use being at least a component of the use.

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

Zoning Ordinance and Subdivisions

The City’s existing Zoning Ordinance does not appear to be a barrier to affordable housing. It permits multifamily housing in five of the eleven residential zoning districts. In addition, duplexes are permitted in two other districts in which multifamily residential is not permitted.

The four single family residential districts allow for small minimum lot sizes, which permits higher density of development than in many of the jurisdictions surrounding the City of Kalamazoo. In adjacent jurisdictions, large lot zoning does create a barrier to affordable housing and establishes pressures that force some low income populations into the City of Kalamazoo. The low densities found in adjacent jurisdictions create increased prices and barriers to affordability.

Additionally, the City of Kalamazoo Zoning Ordinance allows for multifamily development in several commercial districts to allow for mixed use and to encourage walkability.

Housing and Building Codes

The City of Kalamazoo enforces the Michigan Building Code, which is standard among municipalities in

the State.

The City employs an anti-blight and building code enforcement team. As a result, blight and abandonment issues are addressed more quickly. The rental certification program continues to be administered, which helps to improve the quality of rental housing. Concerns have been raised that the rental certification program 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 maintain or improve property values in City neighborhoods.

Discussion

The City will utilize a variety of strategies and support from community partners to help address barriers to affordable housing. Generally, the City utilizes 50 percent or more of the total HUD grant award towards housing activities. These funds will help to increase the supply of affordable housing, as well as helping 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 that would allow 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 nonprofit partners receiving funding to assist with affordable housing in PY2017 are:

- Housing Resources, Inc.
- Community Homeworks
- Senior Services, Inc.
- Fair Housing Center of Southwest Michigan

The Kalamazoo Brownfield Redevelopment Initiative has been a tremendous resource in addressing the issue of contaminated properties that may have the ability to be redeveloped. Using captured tax revenue, the Brownfield Initiative 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.

Some additional actions planned for PY2017 are:

- Work with local nonprofit housing providers on the development of new and/or rehabilitated housing. Encourage variety in 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. In addition, consider the development of a program where vacant and/or tax foreclosed properties are sold to landlords who maintain exceptional rental properties and will rehabilitate the home for rental use. Work with local nonprofit housing

providers on free and/or reduced-cost financial literacy for households from the Eastside, Edison or Northside Neighborhoods. Focus CDBG funding on substandard housing and/or deferred maintenance of affordable housing units, particularly in the Eastside, Edison and Northside Neighborhoods.

AP-85 Other Actions – 91.220(k)

Introduction

The City of Kalamazoo will continue to engage in a variety of activities during the 2017 program year, which are intended to further local housing and community development goals.

Actions planned to address obstacles to meeting underserved needs

The Community Planning and Development Department will continue to collaborate with our local community housing and human service providers, government officials, business leaders and citizens to identify areas of need in the community. Coordinated efforts have been improved and will continue to be enhanced through PY2017 with local funders and other governmental entities to try and address underserved needs.

Based on the information gathered for the development of the 2014-2018 Consolidated Plan, one of the more underserved populations is the very low income, particularly in regards to housing. Low income renters experience the greatest housing cost burden in Kalamazoo. The tenant based rental assistance programs supported by the City and sponsored by Housing Resources, Incorporated will help us address this underserved need.

Actions planned to foster and maintain affordable housing

In PY2017, the City will continue to place an emphasis on affordable housing as part of the competitive grant application process. A total of four nonprofits and one for profit organization will receive CDBG, ESG and HOME funding to expand new and maintain existing affordable housing. Approximately 753 thousand (CDBG/HOME) of the total funds provided to the City will be used towards the improvement of affordable housing in the City.

Actions planned to reduce lead-based paint hazards

One single-family home will be completely rehabbed with PY2017 funds. The removal of lead based paint, if found, will be a requirement of these rehabilitations. In addition, the City plans to utilize $83,627 to demolish blighted residential structures in the City. It is likely that these homes may contain lead based paint because they tend to be older structures where lead is more prevalent. The removal of approximately five structures will reduce the chances of a household living with lead contamination.

The City will also continue to work with the Michigan Department of Community Health, Division of Environmental Health, and Healthy Homes Program to reduce lead-based paint hazards. The Division provides grant funding to homeowners to remediate lead based paint. Through the City, local nonprofits and neighborhood associations are kept apprised of available funding and the process to receive grant funds.

Actions planned to reduce the number of poverty-level families

Reduction in poverty has recently become a priority for the Kalamazoo City Commission. They have decided to take a leadership role in fostering collective action to reduce poverty in the City, especially for children.

To that end, the City Commission is actively involved with and supportive of, the Kalamazoo County Poverty Reduction Initiative. This initiative is a coalition of local business, education, human service, economic development, philanthropic, government, legal, academic, and faith-based leaders whose mission is “to foster collaborative and mutually accountable public-private partnerships that increase both access to and resources for individuals and families living in poverty.”

The Poverty Reduction Initiative has long-range plans to raise funds to invest in the rehabilitation of substandard rental units and homes owned by low income households. They intend to encourage and assist in the conversion of existing market rate units to affordable housing, and add permanently affordable rental units with an investment in rental subsidies.

For PY2017, the City of Kalamazoo will continue to work towards helping those in poverty access affordable housing. In addition, the City has developed a Section 3 preference policy to promote the procurement of Section 3 businesses. The intent is to improve the economic circumstances of local low income business owners and residents.

Actions planned to develop institutional structure

Local Initiatives Support Corporation (LISC) will continue to coordinate housing and community development efforts through the Sustainable Communities Initiative. They have reached out to other service providers, neighborhood organizations and funders to help them achieve the goals of the Initiative, which are expanded capital investment in housing, increasing family income and wealth, stimulating the local economy, improving access to quality education and developing healthy environments and lifestyles. The Deputy City Manager will continue to sit on the Board of LISC Kalamazoo. The Continuum of Care is operated as a compliment to the LISC Sustainable Communities Initiative. This collaboration of nonprofit, business, governmental, education, health, human service, advocacy entities, and constituent groups are creating a comprehensive and integrated approach to end homelessness and insure permanent housing for low income people. The Continuum of Care has three volunteer groups that help improve provision of services, eliminate barriers to housing, improve the management of data, and allocate funding. The Community Development Manager will sit on the Allocations and Accountability Team.

The City will continue to host bi-monthly meetings with the core CDBG-eligible neighborhoods during PY2017. The executive directors of each neighborhood organization attend the meetings along with representatives from City departments like Public Safety, Public Services, Parks and Recreation, and Community Planning and Development. The meetings focus on neighborhood issues, the coordination of services, updates on City improvements, etc. The intent is to provide an open forum for neighborhood leaders to work cooperatively with the City on addressing neighborhood needs.

The City, particularly the Department of Community Planning and Development, could benefit from stronger relationships with our county partners. The Kalamazoo County Department of Health and Community Services houses the Kalamazoo County Community Action Agency, which provides programs and services to help low income households achieve greater economic self-sufficiency. The City will work towards more intergovernmental cooperation in PY2017 to work towards joint community development projects, data sharing and best practices.

Actions planned to enhance coordination between public and private housing and social service agencies

The City of Kalamazoo has indicated that the priorities that should be addressed during the five year period of this Plan are affordable housing, homeless assistance, neighborhood enhancement and youth development. The institutional structure for the neighborhood enhancement and youth development priorities is internal to the City and has no gaps to providing services. The affordable housing priority could benefit from a stronger relationship with the Kalamazoo County Community Action Agency. Community Planning and Development staff at the City plan to engage with the housing programs staff to review possible areas of partnership that will improve affordable housing outcomes.

The development of new affordable housing, particularly with supportive services, is also a goal of the Continuum of Care. Partnerships with the City of Kalamazoo, local nonprofit housing providers and the Michigan State Housing Development Authority will need to be an affordable housing development strategy. The City will continue to invest in affordable housing through both the CDBG and HOME grant programs. The development of new units will continue to be considered based on successful financial statements and plans.

To have a more proactive approach to homeless prevention, the Continuum of Care developed the Systems of Care team. They established work groups to address the needs/barriers of those that may become homeless. The Team works to promote the adoption of evidence-based and promising program practices in support of a Housing First philosophy of care. They prioritize Continuous Quality Improvement in service delivery and educate and inform members on national and community best practices.

Discussion

Program Specific Requirements

AP-90 Program Specific Requirements – 91.220(l)(1,2,4)

Introduction

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(l)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

Table - 16

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	0
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 Program Income:	**0**

Other CDBG Requirements

1. The amount of urgent need activities 0

2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan. 1

HOME Investment Partnership Program (HOME)

Reference 24 CFR 91.220(l)(2)

1. A 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. However, the sale of the property during the affordability period triggers repayment of the HOME funds utilized when it was originally purchased.

a. 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 by $4,000 each year.

Forgiveness will only be given to the homebuyer for each year they occupy the home as their primary residence.

b. 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.

c. 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. See 24 CFR 92.254(a)(4) are as follows:

   The period of affordability is detailed in either the Subrecipient or developer agreement with the City of Kalamazoo. 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 along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

   The City of Kalamazoo does not utilize HOME funds to secure existing debt for multifamily

Emergency Solutions Grant (ESG)
Reference 91.220(l)(4)

1. Include written standards for providing ESG assistance (may include as attachment)

Source of Funding. All CoC programs are funded by the McKinney-Vento Homeless Assistance Act of 1987 and administered by HUD; some ESG funds are passed through to the Michigan State Housing Development Authority (MSHDA). McKinney-Vento programs provide outreach, shelter, transitional housing, supportive services, rent subsidies, and permanent housing for people experiencing homelessness and/or at risk of homelessness.

- Additionally, in 2009, Congress passed the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act to consolidate HUD homelessness programs (Supportive Housing Program, Shelter Plus Care, and Moderate Rehabilitation/Single Room Occupancy). The Hearth Act amended and reauthorized the McKinney-Vento Homelessness Assistance Act, and is intended to further assist people in regaining stable, permanent housing and supports a coordinated intake process, effective data collection, performance measurement and program evaluation systems.
- The dollar amount of available funding is determined competitively for the Continuum of Care Program Competition and by formula to each jurisdiction (State of Michigan, Kalamazoo City and County) for the Emergency Solutions Grants program. The CoC and the City of Kalamazoo combine their Emergency Solutions Grants, funded by MSHDA and HUD, respectively, into a single application process.
- Funding is subject to federal appropriations, state and local allocations and terms of the relevant Notice of Funding Availability (NOFA); *funding is not guaranteed by the CoC, City of Kalamazoo, HUD or MSHDA until grant agreements are finalized and executed.*

Eligible Uses of Funding. CoC and/or ESG funding is available for projects that provide:

- Homeless outreach, assessment, and prevention; Emergency shelter (ES); Transitional housing (TH); Permanent housing with supportive services (PSH); Permanent Housing-Rapid-Rehousing (PH-RR)Permanent housing only (PH); Supportive services only (SSO), and Planning, HMIS, and Grant Administration.

Ineligible Uses of Funding

Funds cannot be allocated to any organization that:

1. Does not comply with the nondiscrimination provisions of local, State and Federal civil rights laws (see CoC Fair Housing Policy); or
2. Requires participation in religious activities as a condition for receiving services; or
3. Does not comply with the Equal Access to Housing in HUD Programs – Regardless of Sexual Orientation or Gender Identity Final Rule (2012 Equal Access Rule).

CoC Collaborative Applicant

The Local Initiatives Support Corporation (LISC) employs the CoC Director and serves as Kalamazoo County's Lead Agency and Collaborative Applicant. The City of Kalamazoo's Deputy City Manager serves on the LISC Board; the LISC Board serves as the CoC's governing body.

If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

The Continuum of Care formalized a "No Wrong Door" countywide Coordinated Community Assessment System in 2009. Gryphon Place 2-1-1 provides crisis intervention 24/7 and performs the initial Centralized Screening and Intake process to determine primary and urgent needs. Individuals are prioritized based on the severity of their housing crisis. Persons with primary need are referred to Housing Resources, Inc., the Lead Agency/Housing Assessment and Resource Agency (HARA) for housing assessment and development of the Community Housing Assistance Plan (CHAP). Those with an urgent need are referred to area emergency shelters where the CHAP is developed in consultation with the HARA. Walk-in services are provided through centrally located satellite locations and through the weekly Community Housing Hour at the Goodwill Human Services Campus where multiple agencies participate in providing housing related information.

Through enhancements and expansion of the coordinated access and assessment process and the implementation of the CHaMP (Community Housing Matching and Planning) process, families becoming homeless will be prioritized for services and housing placement.

In addition, through a partnership with United Way and the YWCA, a "Liaison to Success" pilot program will be implemented in 2017 that serves 20 "underemployed" households specifically identified as to receive intensive supportive services for the purpose of improving financial and housing stability in the household with specialized services for families exiting the YWCA family shelter who will have an additional Victim Services case management component. These actions are dependent on the availability of housing units for those experiencing homelessness. The CoC's newly formed HART (Housing Action Response Team) includes a team member dedicated to Housing Location and Landlord Engagement to find available units for these households.

3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations) will be allocated

The City of Kalamazoo currently renews funding for nonprofit agencies carrying out ESG-funded emergency shelter activities, provided that the contractual obligations have been met and project outcomes have been successful. The City may choose to reduce or eliminate funding to an agency that does not meet contractual obligations, or that administers a project that fails to meet outcome goals. If an existing program does not fit with the City's objectives, the agency may be asked to change its program design. The City may also transition to a competitive RFP process. The City does not plan to initiate other large ongoing ESG-funded emergency shelter programs. The City of Kalamazoo currently subcontracts all ESG funding to Housing Resources, Inc., which administers the ESG Program.

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG

In order to meet the requirements under § 576.405(b), the City of Kalamazoo have partnered with the Local Initiatives Support Corporation (the local CoC Board). The local CoC Board and its multiple subcommittees each include participation by multiple people with lived experience of homelessness. One CoC Board subcommittee (the Community Advisory Forum) specifically provides a solutions-driven forum for those with lived experience of homelessness and front-line service workers to listen and support each other. It also brings consumers, providers and interested community members together to share information, and identify emerging issues and trends.

5. Describe performance standards for evaluating ESG

The procedures outlined in the ESG Monitoring Plan are designed specifically to apply to the monitoring of ESG-funded projects in the City of Kalamazoo.
Through on-site and desk monitoring, the reviewer can determine whether the program participant's performance meets program requirements and improve program participant performance by providing guidance and making recommendations. The specific purposes of monitoring are to:

- Validate the accuracy of information presented by the program participants;
- Follow-up on problems identified during the monitoring visit;
- Determine compliance for those activities where there is sufficient information to make eligibility and/or national objective determinations;
- Evaluate the reasonableness of judgments made for those activities that necessarily involve high levels of program participant judgment;
- Ascertain the Subreceipient's ability to ensure that activities carried out meet compliance requirements;
- Verify the accuracy of the program participant's records; and,
- Identify apparent causes of any problem(s) and offer recommendations for corrective actions.

Community Planning and Development

Substantial Amendment

FY 2016 One-Year Action Plan

City of Kalamazoo
Community Development Block Grant Program
HOME Investment Partnerships Program
&
Emergency Solutions Grant

Adopted by the Kalamazoo City Commission on – _____
Submitted to HUD on: _____

Prepared by Staff of the City of Kalamazoo Community Planning and Development Services Division
415 Stockbridge Avenue
Kalamazoo, MI 49001
269-337-8044

THE CITY OF KALAMAZOO
ACTION PLAN
JULY 2016 – JUNE 2017

The City of Kalamazoo
City Commissioners - Update
Mayor Bobby J. Hopewell
Vice Mayor - Don Cooney
David Anderson
Erin Knott
Matt Milcarek
Shannon Sykes
Jack Urban

Community Planning & Development
Laura Lam, Director
Dorla Bonner, Manager

OMB Control No: 2506-0117 (exp. 07/31/2017)

PY2016 Action Plan - Funding Recommendations
Sources and Uses

The City of Kalamazoo PY2016 Community Development budget was amended to reflect the following:

1. Cancellations of the Frank B. Lay project and Kalamazoo Collective project at the request of the Subrecipients.
2. To add unallocated Program Income in the amount of $196,854.00

PY2016 Action Plan - Funding Recommendations Substantial Amendment
Sources and Uses

Agency	Activity Name	Requested Funding	Funding Recommendation	2016	
SOURCES					**AMOUNT**
CDBG Allocation	CDBG 2015 Unallocated $62998 allocated to Neighborhood Enhancement			1,550,872	
CDBG Anticipated Program Income				94,893	
HOME Allocation				422,450	
ESG Allocation				138,353	
Unallocated Program Income				196,854	
Total Funds Available				**2,403,422**	
USES					
CDBG PUBLIC SERVICE[1]					
City of Kalamazoo Public Safety	Crime Prevention		$150,000		
City of Kalamazoo CPD	Neighborhood Enhancement		$20,000		
Fair Housing Ctr SW Michigan	Fair Housing Services		$20,000		
Local Initiatives Support Corp	Continuum of Care		$20,000		
Total				**210,000**	
CDBG ADMINISTRATION[2]					
City of Kalamazoo	Administration			**297,575**	
CDBG - GENERAL					
City of Kalamazoo	Code Enforcement		$425,000		
City of Kalamazoo	Demolition		$58,017		
City of Kalamazoo	Parks and Recreation		$25,907		
Total				**508,924**	
CDBG - AFFORDABLE HOUSING					
Housing Resources, Inc.	Tenant Based Rental Assistance	$75,000	$56,375		
Senior Services, Inc.	Home Repair for the Elderly	$100,000	$75,000		
Community Homeworks	Emergency Home Repair	$250,000	$200,000		
Total		**$425,000**		**331,375**	
***CDBG Neighborhood Enhancement**					
City of Kalamazoo Public Services			$150,000		
CDBG 2015 Unallocated Funds			$62,998		
				202,998	
		CDBG Total		**1,550,872**	
ANTICIPATED PROGRAM INCOME					

OMB Control No: 2506-0117 (exp. 07/31/2017)

City of Kalamazoo CP&D	Small Business Revolving Loan		$15,000.00	
Kzoo Neighborhood Housing Services	Minor/Emergency Roof Repair		$57,900.00	
Community Homeworks	Minor/Emergency Roof Repair		$21,993.00	
Total			**94,893**	
UNALLOCATED PROGRAM INCOME				
Unallocated Program Income	Façade Improvement Program		$5,156.80	
	Housing Revolving - Unreserved Fund Balance		$28,336.71	
	housing Revolving - Unearned Revenue		$18,800.05	
	Small Business Revolving Fund		$65,427.58	
	Micro-Enterprise		$79,132.92	
			196,854	
Total				**291,747**
HOME				
City of Kalamazoo CP&D	Administration[3]		$42,245	
Fair Housing of SW Michigan	Property Redevelopment for Homeownership	$400,000	$70,637	
Housing Resources, Inc.	Tenant Based Rental Assistance	$100,000	$75,200	
HOME Unallocated Funds			$171,000	
Unallocated HOME Funds	CHDO Reserve		$63,368	
Total		**$500,000**		**422,450**
ESG				
Continuum of Care	Cost to administer the ESG program[4]		$10,378	
Continuum of Care	Various Homeless Programs and Activities		$127,975	
Total				**138,353**

ALL PROGRAMS TOTAL	**2,403,422**

1Public Services activities are subject to a 16% cap

2 CDBG Planning and Administrative services are subject to a 20% cap

3HOME administration is subject to a 10% cap

4ESG administration is subject to a 7.5% cap

OMB Control No: 2506-0117 (exp. 07/31/2017)

Table 2 - Objectives and Outcomes under "Executive Summary" were amended to reflect the cancellations of the Frank B. Lay project and Kalamazoo Collective project at the request of the Subrecipients.

Table 2 – Objectives and Outcomes

Affordable Housing **-** Improve the amount of decent and affordable housing in the City of Kalamazoo by supporting the maintenance, rehabilitation and development of accessible owner and renter occupied housing.			
Category	**Agency**	**Indicator**	**Expected Program Year**
Affordable Housing:	Fair Housing	Low/Mod Area Benefit	73845
Affordable Housing:	Fair Housing Center of Southwest Michigan(HOME)	Homeowner Housing Added	1 Housing units
Affordable Housing:	Community Homeworks Senior Services	Homeowner Housing Rehabilitated	80 Housing Units 32 Housing units
Affordable Housing:	Housing Resources Inc.	Tenant-based rental assistance / Rapid Rehousing	55 Housing units
Homeless Assistance - Work towards ending homelessness within Kalamazoo County by supporting the U.S. Department of Housing and Urban Development's Strategic Plan to Prevent and End Homelessness implemented through the Kalamazoo County Continuum of Care by providing services and support to the City's homeless population.			
Category	**Agency**	**Indicator**	**Expected Program Year**
Homeless Assistance:	Housing Resources Inc.	Homeless Person Overnight Shelter	149 Persons Assisted
Homeless Assistance:	Housing Resources Inc.	Homelessness Prevention	126 Persons Assisted
Neighborhood Enhancement **-** Advance the sustainability of the Community Development Block Grant neighborhoods identified in the Consolidated Plan through the continuation of City services and redevelopment of key neighborhood improvements.			
Category	**Agency**	**Indicator**	**Expected Program Year**
Neighborhood Enhancement:	City of Kalamazoo	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit –	73845
Neighborhood Enhancement:	City of Kalamazoo	Public service activities other than Low/Moderate Income Housing Benefit –	28884
Neighborhood Enhancement:	City of Kalamazoo	Buildings Demolished	**5**
Neighborhood Enhancement:	City of Kalamazoo	Housing Code Enforcement/Foreclosed Property Care	1109

Youth Development - 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.			
Category	**Agency**	**Indicator**	**Expected Program Year**
Youth Development	City of Kalamazoo	Public service activities other than Low/Moderate Income Housing Benefit	0

Table 10 - Project Information under "AP-35 Projects *91.220(d)*" were amended to reflect the cancellations of the Frank B. Lay project and Kalamazoo Collective project at the request of the Subrecipients.

Table - 10 Project Information

#	Project Name
1	CDBG Planning and Administration
2	Code Enforcement
3	Demolition
4	Fair Housing Activities
5	Public Facility & Infrastructure
6	Public Safety - Neighborhood Officers
7	Critical Home Repair
8	TBRA - Administration
9	Home Repair for the Elderly
10	LISC Continuum of Care
11	Tenant Based Rental Assistance (TBRA)
12	Lease Purchase

Table 11 - Project Summaries under "AP-38 - Projects Summary" were amended to reflect the cancellations of the Frank B. Lay project and Kalamazoo Collective project at the request of the Subrecipients

Table - 11 Project Summaries

1		
	Project Name	**CDBG Planning and Administration**
	Target Area	City-wide low-income households
	Goals Supported	Affordable Housing Homeless Assistance Neighborhood Enhancement Youth Development
	Needs Addressed	Administration of Programs
	Funding	CDBG: $297,575
	Description	The CP&D Department will utilize the 20% percent cap available from the entitlement funding for management, monitoring and coordination of CDBG Activities.
	Target Date	6/30/2017

	Estimate the number and type of families that will benefit from the proposed activities	There is population of approximately 75,548 residing in the City of Kalamazoo of a non-low/mod and low-mod status will benefit from proposed activity.
	Location Description	415 Stockbridge Avenue Kalamazoo, MI 49001
	Planned Activities	Administration of the CDBG program for the 2016 program year to include: monitoring, reporting, technical assistance, etc.
2	**Project Name**	**Code Enforcement**
	Target Area	CDBG-Eligible Census Tracts
	Goals Supported	Neighborhood Enhancement
	Needs Addressed	Rehabilitation of Existing Units
	Funding	CDBG: $425,000
	Description	The CP&D Department will fund Housing Inspectors and Anti-Blight staff who work in the CDBG-eligible Census Tracts to reduce slum and blight.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	The Code Enforcement and Anti-Blight teams work within the CDBG-eligible neighborhoods to reduce the instances of slum and blight in these neighborhoods. There is a population of approximately 26,329 living in the six core (Eastside, Edison, Stuart/ Douglass, Northside, Southside, and Vine) neighborhoods. Approximately 68 percent of these households have incomes at 80 percent or less of the area median income and approximately 43.1 percent live below the federal poverty line.
	Location Description	The activities will take place in the 1.00, 2.01, 2.02, 3.00, 5.00, 6.00, 9.00, 10.00 and 11.00 Census tracts.
	Planned Activities	The City's Code Enforcement and Anti-Blight Team will contribute to the quality of owner housing in the City through their enforcement efforts in the CDBG-eligible neighborhoods. The team will manage the following type of activities: abandoned residential structure cases; secure and board structures open to casual entry; condemn structures; work with the Building Board of Appeals; issue graffiti violations conduct inspections and enforcement of dangerous structures or dilapidated structures, structures found open to casual entry, trash and junk on private property, curb lawn trash, zoning violations, tall grass/weeds, and graffiti.and general blight.
3	**Project Name**	**Demolition**
	Target Area	CDBG-Eligible Census Tracts
	Goals Supported	Neighborhood Enhancement
	Needs Addressed	Neighborhood Improvements
	Funding	CDBG: $58,017
	Description	Spot blight demolition of approximately 5 vacant/blighted residential structures in eligible CDBG neighborhoods.

	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	There is a population of approximately 26,329 living in the six core CDBG-Eligible Census Tracts (Eastside, Edison, Stuart/ Douglass, Northside, Southside, and Vine) neighborhoods. Approximately 68 percent of these households have incomes at 80 percent or less of the area median income and approximately 43.1 percent live below the federal poverty line that will benefit from this proposed activity.
	Location Description	The activities will take place in the 1.00, 2.01, 2.02, 3.00, 5.00, 6.00, 9.00, 10.00 and 11.00 Census tracts.
	Planned Activities	Will demolish five vacant, abandoned single-family residential structures.
4	**Project Name**	**Fair Housing Activities**
	Target Area	City-wide low-income households
	Goals Supported	Affordable Housing
	Needs Addressed	Public Services
	Funding	CDBG: $20,000
	Description	Public service funding will be provided to support City staff who will conduct fair housing activities to support the 2014 Assessment of Fair Housing Plan.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	There is a population of approximately 75,548 residing in the City of Kalamazoo of a non-low/mod and low-mod status that will benefit from proposed activity. Families experiencing discrimination will benefit from this proposed activity.
	Location Description	City wide
	Planned Activities	Public service dollars will be utilized to address the action items from the 2014 Assessment of Fair Housing Plan. In addition, community outreach, provider testing, complaint investigation and technical assistance to the City and federally funded sub recipients will be provided.
5	**Project Name**	**Parks and Recreation**
	Target Area	CDBG-Eligible Census Tracts
	Goals Supported	Neighborhood Enhancement
	Needs Addressed	Public Facilities
	Funding	CDBG: $25,907
	Description	Infrastructure
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	There is a population of approximately 26,329 living in the six core CDBG-Eligible Census Tracts (Eastside, Edison, Stuart/ Douglass, Northside, Southside, and Vine) neighborhoods. Approximately 68 percent of these households have incomes at 80 percent or less of the area median income and approximately 43.1 percent live below the federal poverty line that will benefit from this proposed activity.

	Location Description	The activities will take place in the 1.00, 2.01, 2.02, 3.00, 5.00, 6.00, 9.00, 10.00 and 11.00 Census tracts.`
	Planned Activities	The City of Kalamazoo Public Service Department will use CDBG funds to enhance the infrastructure of core neighborhoods within CDBG-eligible census tracts.

6	**Project Name**	**Public Safety - Neighborhood Officers**
	Target Area	CDBG-Eligible Census Tracts
	Goals Supported	Neighborhood Enhancement
	Needs Addressed	Public Services
	Funding	CDBG: $150,000
	Description	The City of Kalamazoo Public Safety Department will use CDBG funds toward the salaries of two public safety officers for crime awareness and prevention in the low- to moderate-income neighborhoods.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	Families within the CDBG-eligible neighborhood will benefit from this activity as Community Policing Officers will provide needed crime prevention activities. Partnerships will be established with the neighborhood associations to ensure outreach to the community.
	Location Description	The activities will take place in the 1.00, 2.01, 2.02, 3.00, 5.00, 6.00, 9.00, 10.00 and 11.00 Census tracts.`
	Planned Activities	The role of the Community Policing Special Unit is to prevent crime through identification of trends and the creation of action plans for resolution in partnership with neighborhood and community organizations. 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 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, so they can discuss prevention strategies and develop a comprehensive prevention approach in a timely manner. 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. The partnership between Public Safety and the citizens of the CDBG-eligible neighborhoods will assist in solving problems creatively to prevent crime.
7	**Project Name**	**Critical Home Repair (Community Homeworks)**
	Target Area	City-wide low-income households
	Goals Supported	Affordable Housing
	Needs Addressed	Rehabilitation of Existing Units
	Funding	CDBG: $200,000
	Description	Community Homeworks will use CDBG funding to complete approximately 80 critical home repairs for low- to moderate-income homeowners.
	Target Date	6/30/2017

	Estimate the number and type of families that will benefit from the proposed activities	Eighty (80) low-income households will benefit from this proposed activity.
	Location Description	City-wide low-income households
	Planned Activities	Minor/emergency home repair and moderate housing rehabilitation
8	**Project Name**	**TBRA – Administration** (HRI)
	Target Area	City-wide low-income households
	Goals Supported	Affordable Housing
	Needs Addressed	Rental Assistance
	Funding	CDBG: $56,375
	Description	Housing Resources, Inc. will use CDBG funds to administer the Family Self-Sufficiency/TBRA program. It is estimated that 41 households will receive direct financial assistance through HOME TBRA with related technical and social services. Staff intake and related services/administration will be provided through CDBG.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	Approximately 41 households will benefit from this propose activity
	Location Description	City wide
	Planned Activities	Housing counseling, rental inspections, and rental assistance.
9	**Project Name**	**Home Repair for the Elderly (**Senior Services**)**
	Target Area	City-wide low-income households
	Goals Supported	Affordable Housing
	Needs Addressed	Rehabilitation of Existing Units
	Funding	CDBG: $75,000
	Description	Senior Services, Inc. will use CDBG funds to perform minor home repairs and barrier-free accessibility enhancements to approximately 32 housing units owned by senior citizens in CDBG-eligible Census Tracts throughout the City of Kalamazoo.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	Thirty-Two (32) senior households will benefit from this proposed activity.
	Location Description	CDBG-eligible neighborhoods
	Planned Activities	Minor/emergency home repair and ADA accessibility improvements
10	**Project Name**	**LISC Continuum of Care**
	Target Area	City-wide low-income households
	Goals Supported	Homeless Assistance

	Needs Addressed	Homeless Prevention
	Funding	CDBG: $20,000
	Description	LISC will provide technical assistance, capacity building training, and evaluation to approximately four housing and community development non-profit organizations, including CHDOs, operating in the City of Kalamazoo, primarily in the eligible CDBG neighborhoods. LISC will also provide staff for the Affordable Housing Partnership.
	Target Date	06/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	Homeless families will benefit from this proposed activity.
	Location Description	City-wide
	Planned Activities	Administration of the Continuum of Care.
11	**Project Name**	**Tenant Based Rental Assistance (TBRA) –** (HRI)
	Target Area	City-wide low-income households
	Goals Supported	Affordable Housing
	Needs Addressed	Rental Assistance
	Funding	HOME: $80,000
	Description	Housing Resources, Inc. will use HOME funds for rental and rent deposit assistance to approximately 55 households through its TBRA program.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	Approximately 41 Low-income families will benefit from this proposed activity.
	Location Description	City-wide
	Planned Activities	Tenant based rental assistance
12	**Project Name**	**Property Development for Homeownership** (Fair Housing Center of Southwest Michigan)
	Target Area	CDBG-Eligible Census Tracts
	Goals Supported	Affordable Housing
	Needs Addressed	Rehabilitation of Existing Units
	Funding	HOME: $76,974
	Description	Fair Housing Center will use HOME funds to rehabilitate and lease one vacant single family homes.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	One (1) low-income family will benefit from this proposed activity.

	Location Description	CDBG-eligible neighborhoods
	Planned Activities	Acquisition and rehabilitation of one vacant single-family housing units to be included in Lease/Purchase program.

PY2017 Action Plan Funding Recommendations

Organization	Activity Name	Requested Funding	Recommended Funding Draft
CDBG			
CDBG PUBLIC SERVICE[1]			
City of Kalamazoo Public Safety	Crime Prevention		$150,000
City of Kalamazoo Parks and Recreation	Youth Programs		$12,304
City of Kalamazoo CP&D	Neighborhood Enhancement		$18,000
City of Kalamazoo CP&D	Grafitti Removal		
Fair Housing Center of Southwest Michigan	Fair Housing Services		$18,000
Local Initiatives Support Corporation	Continuum of Care		$18,000
	CDBG Public Service Total:		**$216,304**
CDBG ADMINISTRATION[2]			
City of Kalamazoo CP&D	Administration		**$267,817**
CDBG - GENERAL			
City of Kalamazoo CP&D	Code Enforcement		$400,000
City of Kalamazoo CP&D	Demolition		$43,000
			$443,000
CDBG - AFFORDABLE HOUSING			
Housing Resources, Inc.	Tenant Based Rental Assistance Administration	$75,000	$56,375
Senior Services, Inc.	Home Repair for the Elderly	$100,000	$75,000
Community Homeworks	Emergency Home Repair	$250,000	$200,000
			$331,375
CDBG Neighborhood Enhancement			
City of Kalamazoo		$150,000	**$80,591**
	CDBG General Total		**$1,339,087**
ANTICIPATED PROGRAM INCOME			
City of Kalamazoo CP&D	Small Business Revolving Loan		$13,500
Kzoo Neighborhood Housing Services	Minor/Emergency Roof Repair		$52,110
City of Kalamazoo CP&D	Housing Revolving Loan Fund		$0
Community Homeworks	Minor/Emergency Roof Repair		$19,794
CDBG Program Income Total:			**$85,404**
UNALLOCATED PROGRAM INCOME			
Unallocated prior years CDBG Funds			$201,720
CDBG PY2015 UNALLOCATED			
			$8,981
	CDBG TOTAL:		**$1,635,192**
HOME			
City of Kalamazoo CP&D	Administration[3]		$42,474
Fair Housing of SW Michigan	Property Redevelopment for Homeownership	$400,000	$70,637
Housing Resources, Inc.	Tenant Based Rental Assistance	$100,000	$75,200
2017 HOME Unallocated	Rehabilitation of Rental Units	$71,000	$172,720
Kzoo Neighborhood Housing Services	CHDO Reserve 2016		$63,711
Kzoo Neighborhood Housing Services	CHDO Reserve 2017		$63,711
	HOME TOTAL:	**$571,000**	**$488,453**
HOME Unallocated PY2016			
HOME Unallocated PY2016		**$137,001**	
	HOME TOTAL:		**$123,875**
ESG			

K:\COMDEV\HOME & CDBG & ESG\PY2017-18\2a. Action Plan Process\3. Action Plan Draft\Draft Plan and Process\Gazette-Novus\1. Public Comment Period\2c. Novus CP Attach B-FY2017 Funding Recom

PY2017 Action Plan Funding Recommendations

Continuum of Care	Cost to administer the ESG program[4]		$9,340
Continuum of Care	Various Homeless Programs and Activities		$115,178
	ESG TOTAL:		**$124,518**
	ALL PROGRAMS TOTAL:	**$571,000**	**$2,372,038**

1Public Services activities are subject to a 16% cap

2 CDBG Planning and Administrative services are subject to a 20% cap

3HOME administration is subject to a 10% cap

4ESG administration is subject to a 7.5% cap

Commission Agenda Report

City of Kalamazoo

TO: Mayor Hopewell, Vice Mayor Cooney, and City Commissioners

FROM: Clyde J. Robinson, City Attorney

PREPARED BY: Laura J. Echtinaw, Legal Assistant

DATE: 2/22/2017

SUBJECT: Consumers Energy Easement

RECOMMENDATION

It is recommended that the City Commission approve and authorize the City Manager to execute an Easement for Electric Facilities with Consumers Energy Company to permit Consumers to run electric services to the cell tower owned by TowerCo and located on City property at 251 Mills St.

BACKGROUND

The City granted a lease to TowerCo to locate a telecommunications antenna facility on the City property on Mills Street adjacent to the Kalamazoo River. (See the drawing which accompanies this memo.) In order for TowerCo to operate the facility, it needs the City to grant an easement to Consumers Energy to run an electric line across City property. The attached easement form from Consumers has been review and found acceptable.

FISCAL IMPACT

The City will only receive the token consideration of $1.00 from Consumers, but the City collects $1,000.00 a month from TowerCo, provided that it can operate its facilities.

ATTACHMENTS:

Type	Description
Easement	Proposed Easement for Electric Facilities and diagram of easement area.

EASEMENT FOR ELECTRIC FACILITIES

SAP# 1035077583
Design# 10712180
Agreement# MI00000024876

City of Kalamazoo, a municipal corporation, 241 West South Street, Kalamazoo, Michigan 49007 (hereinafter "Owner")

for $1.00 and other good and valuable consideration [*exempt from real estate transfer tax pursuant to MCLA 207.505(f) and from State real estate transfer tax pursuant to MCLA 207.526(f)*] grants and warrants to

CONSUMERS ENERGY COMPANY, a Michigan corporation, One Energy Plaza, Jackson, Michigan 49201 (hereinafter "Consumers")

a permanent easement to enter Owner's land (hereinafter "Owner's Land") located in the City of Kalamazoo, County of Kalamazoo, and State of Michigan as more particularly described in the attached Exhibit A to construct, operate, maintain, inspect (including aerial patrol), survey, replace, reconstruct, improve, remove, relocate, change the size of, enlarge, and protect a line or lines of electric facilities in, on, over, under, across, and through a portion of Owner's Land (hereinafter "Easement Area") as more fully described in the attached Exhibit B, together with any pole structures, poles, or any combination of same, wires, cables, conduits, crossarms, braces, guys, anchors, transformers, electric control circuits and devices, location markers and signs, communication systems, utility lines, protective apparatus and all other equipment, appurtenances, associated fixtures, and facilities, whether above or below grade, useful or incidental to or for the operation or protection thereof, and to conduct such other activities as may be convenient in connection therewith as determined by Consumers for the purpose of transmitting and distributing electricity.

Additional Work Space: In addition to the Easement rights granted herein, Owner further grants to Consumers, during initial construction and installation only, the right to temporarily use such additional work space reasonably required to construct said lines. Said temporary work space shall abut the Easement Area, on either side, as required by construction.

Access: Consumers shall have the right to unimpaired access to said line or lines, and the right of ingress and egress on, over, and through Owner's Land for any and all purposes necessary, convenient, or incidental to the exercise by Consumers of the rights granted hereunder.

Trees and Other Vegetation: Owner shall not plant any trees within the Easement Area. Consumers shall have the right from time to time hereafter to enter Owner's Land to trim, cut down, and otherwise remove and control any trees, brush, roots, and other vegetation within the Easement Area. Consumers shall have the right from time to time hereafter to enter Owner's Land to trim, cut down, and otherwise remove and control any trees, brush, or other vegetation located outside of the Easement Area which are of such a height or are of such a species whose mature height that in falling directly to the ground could come into contact with or land directly above Consumers' facilities.

Buildings/Structures: Owner agrees not to build, create, construct, or permit to be built, created, or constructed, any obstruction, building, septic system, drain field, fuel tank, pond, swimming pool, lake, pit, well, foundation, engineering works, installation or any other type of structure over, under, or on said Easement Area, whether temporary or permanent, natural or

man-made, without the express authorization of Consumers, which may be withheld in Consumers' sole discretion, recorded in the register of deeds for the county in which Owner's Land is situated expressly allowing the aforementioned.

Ground Elevation: Owner shall not materially alter the ground elevation within the Easement Area without the express authorization of Consumers, which may be withheld in Consumers' sole discretion, recorded in the register of deeds for the county in which Owner's Land is situated expressly allowing the aforementioned.

Exercise of Easement: Consumers' nonuse or limited use of this Easement shall not preclude Consumers' later use of this Easement to its full extent.

Ownership: Owner covenants with Consumers that they are the lawful fee simple owner of the aforesaid lands, and that they have the right and authority to make this grant, and that they will forever warrant and defend the title thereto against all claims whatsoever.

Successors: This easement shall bind and benefit Owner's and Consumers' respective heirs, successors, lessees, licensees, and assigns.

Counterparts: This easement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. It is not necessary that all parties execute any single counterpart if each party executes at least one counterpart.

Date: _____

Owner: The City of Kalamazoo, a municipal corporation

FORM APPROVED
2-3-17
OTR
CITY ATTORNEY

_____
By: James Ritsema
Its: City Manager

Acknowledgment

The foregoing instrument was acknowledged before me in _____ County, Michigan,

on _____ by The City of Kalamazoo, a municipal corporation, by James Ritsema, it's City Manager, on behalf of the City.

_____
Notary Public
_____ County, Michigan

_____
Notarial Seal (please place seal above line)

Acting in _____ County
My Commission expires: _____

Prepared By: Karla S. Hart 09-23-2016
Consumers Energy Company
4100 W. M-76
West Branch, Michigan 48661

After recording, return to:
Carrie Main, EP7-471
Business Services
Consumers Energy Company
One Energy Plaza
Jackson, MI 49201

Consent of Tenant

TowerCo 2013 LLC, a Michigan limited liability company, as tenant of Owner's Land, as described in the Easement, hereby consents to the Easement and agrees to use the leased premises in compliance with the Easement.

Date: _____

Owner: TowerCo 2103 LLC, a Michigan limited liability company

_____
By: Daniel Hunt
Its: V.P. and C.F.O

Acknowledgment

The foregoing instrument was acknowledged before me in _____ County, Michigan,

on _____ by TowerCo 2013 LLC, a Michigan limited liability company, by Daniel Hunt, it's V.P. and C.F.O. on behalf of the company.

_____
Notary Public
_____ County, Michigan
Acting in _____ County
My Commission expires: _____

_____
Notary Stamp (Place above line)

Prepared By: Karla S. Hart 09/23/2016
Consumers Energy Company
1325 Wright Avenue
Alma, Michigan 48801

After recording, return to:
Carrie Main, EP7-471
Business Services
Consumers Energy Company
One Energy Plaza
Jackson, MI 49201

EXHIBIT A

Owner's Land

PARCEL ID: 3906-14-354-027

A parcel of land located in Section 14, Town 2 South, Range 11 West, City of Kalamazoo, Kalamazoo County, Michigan described as follows:

Commencing at the intersection of the East line of Mills Street with the South bank of the Kalamazoo River, said point being the Northwest corner of Lot 1 of plat of Riverside, as on file in the office of the Register of Deeds for Kalamazoo County; thence South along the East line of said Mills Street to a point 249.5 feet Northeasterly from the center line of the Right of Way of said railroad company heretofore mentioned, and measured at right angles with said center line; thence Southeasterly, parallel with and 249.5 feet Northeasterly therefrom to a point of curve(said point being 91.75 feet Northeasterly from the Northeasterly corner of a parcel of land deeded by the parties of the first part to the Michigan Railway Company, and measured at right angles with the Northeasterly line of said parcel) thence on a curve right with a radius of approximately 3075 feet, to the North right of way line of a strip of land 33 feet in width, said by the parties of the first part to the Chicago and Kalamazoo Terminal Railway Company for a Right of Way to the Kalamazoo Paper Company's Mills; thence Easterly along the North line of said last mentioned Right of Way, to the Westerly bank of the Kalamazoo River; thence down said River, following its Westerly and Southerly bank, to the South line of a parcel of land sold by the parties of the first part to the Michigan Central Railroad Company, and being 827 feet North of the South line of Section 14, Town 2 South, Range 11 West; thence West parallel with the South line of said Section 14 in the Southeasterly bank of the Kalamazoo River; thence down the said bank of said river, following the meandering of the same to the East line of Mills Street and the place of beginning.

AND BEING:

A portion of the same property conveyed to The City of Kalamazoo, a municipal corporation from E. Henry Lane and Ida E. Lane, his wife; and Fran B. Lay and Mary B. Lay by Deed dated September 5, 1924 and recorded September 11, 1924 in Deed Book 227 at Page 189.

Common Address: 251 Mills Street, Kalamazoo, Michigan 49001

EXHIBIT B

Easement Area

A 12 foot-wide strip of land, being 6 feet on each side of the centerline of the line constructed on Owner's Land, the centerline to be located approximately as shown in the attached drawing.

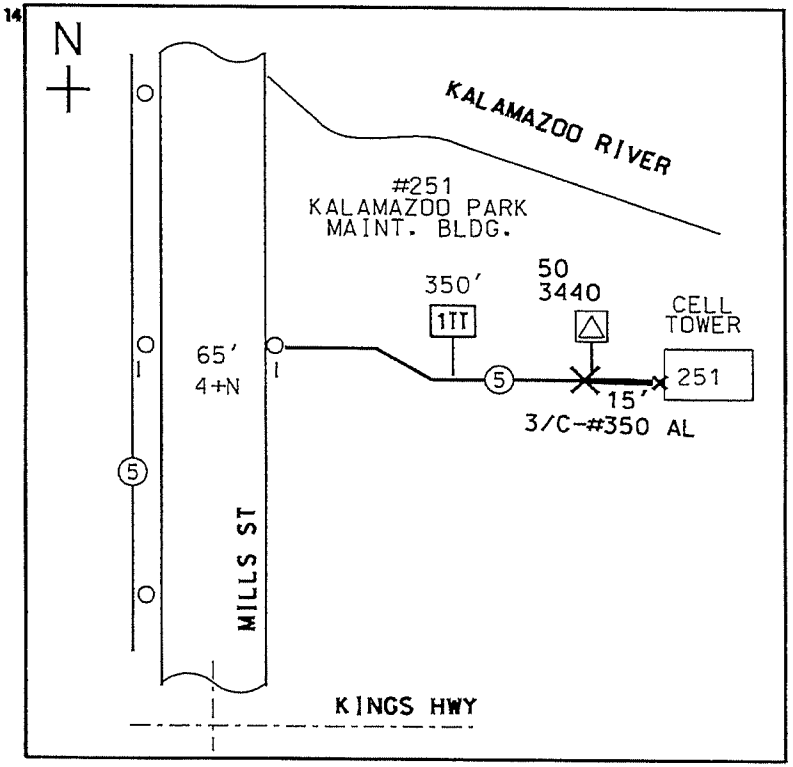
ADDRESS	
251 Mill St, CELL TOWER, Kzoo, ECNC NSU	
PROJECT TITLE	
251 MILL ST TOWER	
DESIGN NUMBER	AS-BUILT NUMBER
10712181	
CONSTRUCTION MEASURE NUMBER	
100003855450	
NOTIFICATION NUMBER	
1035077583	
ORDER TYPE	ORDER NUMBER
ECNC	
MAINTENANCE ACTIVITY TYPE	
NSU	
METER ORDER NUMBER	METER NUMBER
READ	METER LOCATION
☒ SET	☐ REMOVE ☐ EXCHANGE
DESIGNED BY	DATE
AMJAFFAR	08/24/16

Consumers Energy

A CMS Energy Company *SERVICE*

KALAMAZOO CO
KALAMAZOO TWP
T52 R11 SEC. 14

TLM-5211143440



	VOLTAGE DROP	FLICKER	TRANSFORMER DEMAND LOAD (KVA)	MOTOR LOAD
EXISTING				
PROPOSED	1.49V	1.4V	34KVA	4TON

SERVICE SKETCH TITLE BLOCK
Form 2804 10-30-2008
8/24/2016 9:31:15 AM C:\of\backup\wrad\ustn\dgn\10712181.001

Commission Agenda Report

City of Kalamazoo

TO: Mayor Hopewell, Vice Mayor Cooney, and City Commissioners

FROM: James K. Ritsema, ICMA-CM, City Manager

REVIEWED BY: Teresa T. Johnson, Deputy Public Services Director

PREPARED BY: Anna C. Crandall, EIT, Senior Civil Engineer – Water Resources

DATE: 2/3/2017

SUBJECT: Heritage Community Utility Easement

RECOMMENDATION

It is recommended that the City Commission approve and accept the easement with the Heritage Community for water main installed as part of the Heritage Community Water Main Looping Project; and authorize the City Manager to sign all related and necessary documents regarding the acquisition of the easement.

BACKGROUND

Construction of new water main will be completed this year for the Heritage Community Water Main Looping Project. As all public water mains and sanitary sewer are required to be in a dedicated easement or public right of way, the Heritage Community in collaboration with the City of Kalamazoo Attorney has drafted this agreement for approval.

COMMUNITY RESOURCES CONSULTED

This recommendation did not require advisor board consultation or additional public input.

FISCAL IMPACT

The City of Kalamazoo will incur the cost of recording the easement with the Clerk-Register and $100 for consideration for the grant of the easement.

ALTERNATIVES

While the City Commission could decline to authorize the City Manager to execute this agreement, doing so is not recommended.

ATTACHMENTS:

Type	Description
Agreement	Agreement and Sketch

PUBLIC UTILITY EASEMENT

THIS AGREEMENT dated January 19, 2017 between Heritage Community of Kalamazoo, a Michigan (non-profit corporation), whose address is 2400 Portage Street, Kalamazoo, MI 49001 ("Grantor") and the City of Kalamazoo, a Michigan municipal corporation, whose address is 241 West South Street, Kalamazoo, Michigan 49007 ("City").

Recitals:

A. Grantor owns a certain parcel of real estate at 500 Golden Drive in the City and County of Kalamazoo, which is more specifically described on the attached Exhibit A ("Property").

B. The City desires to obtain an easement on, over, under, across and through a portion of the Property in conjunction with the Heritage Water Main Project.

C. Grantor agrees to grant to the City a utility easement on, over, under, across and through a portion of the Property for the purposes as set forth in this Agreement.

THEREFORE, in consideration of the mutual covenants, conditions and agreements set forth below, the parties agree as follows:

1. Grant of Easement. In consideration of less than One Hundred Dollars ($100.00) plus other valuable consideration, Grantor grants and conveys to the City a permanent easement and right-of-way on, over, under, across and through that portion of the Property as described in Exhibit A. ("Easement Area")

2. Purpose of the Easement. The City shall use the Easement Area for the purpose of constructing, operating, maintaining, repairing, improving or replacing the pipelines, connections, leads and all other components of the city's water supply system and other public utilities systems placed within the Easement Area. ("Utility Activities")

3. Access to the Easement Area. The City shall have the right of ingress and egress to the Easement Area from the public right-of-way, and if necessary through the Property, in order to carry out the Utility Activities, subject to the following conditions:

Heritage Community of Kalamazoo

By: _____ Jay Prince

Its: President + CEO

STATE OF MICHIGAN }
) ss.
COUNTY OF KALAMAZOO)

The foregoing instrument was acknowledged before me on January 19, 2017, by Jay Prince, on behalf of the Grantor.

_____
Notary Public
Kalamazoo County, Michigan
My commission expires: 3/7/2017

CITY OF KALAMAZOO

By: _____
James K. Ritsema
Its: City Manager

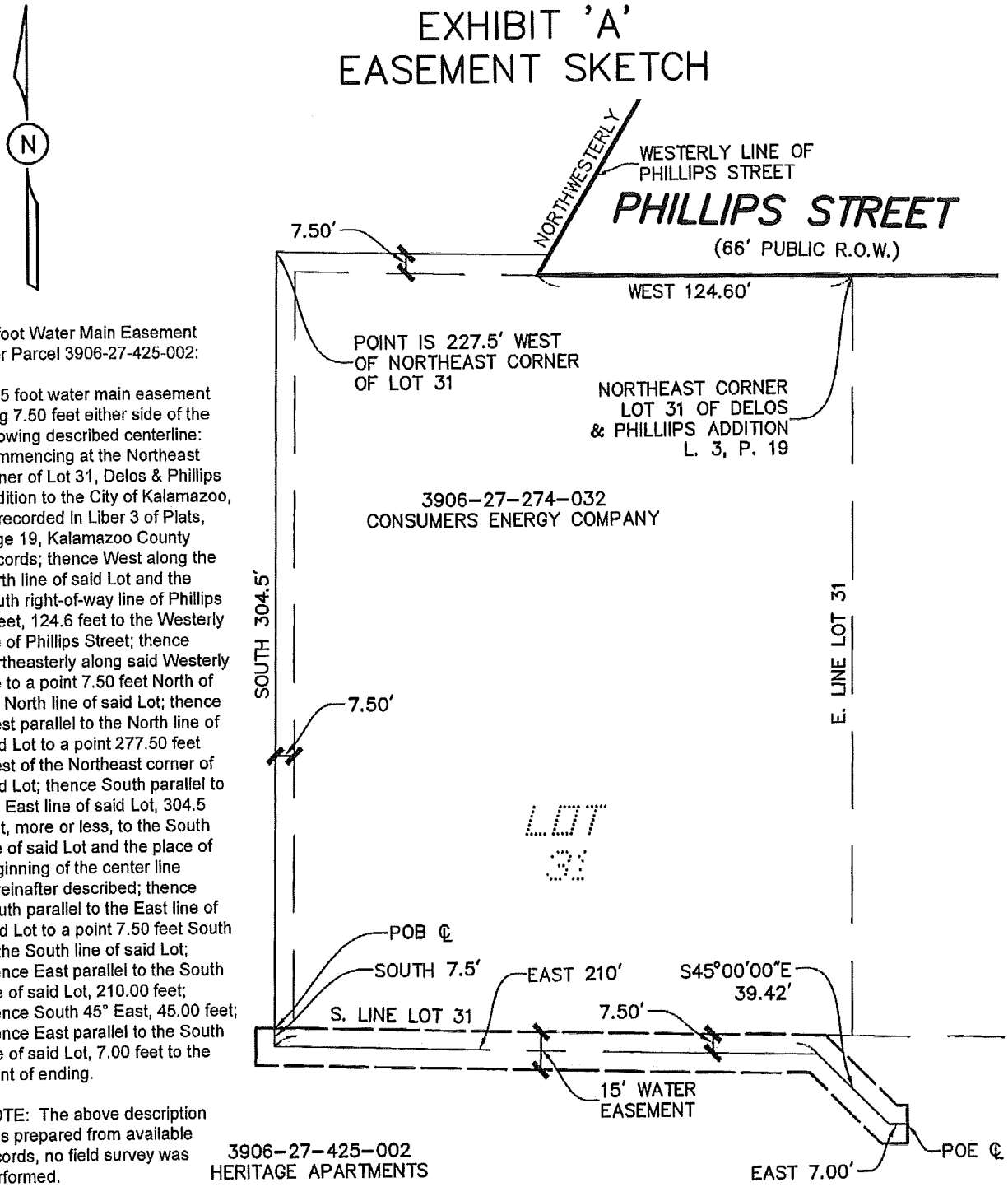
STATE OF MICHIGAN }
} ss.
COUNTY OF KALAMAZOO }

The foregoing instrument was acknowledged before me on _____, 20__ by James K. Ritsema for and on behalf of the Grantee, the City of Kalamazoo, its City Manager.

_____
Notary Public
Kalamazoo County, Michigan
My commission expires: _____

Prepared By & After Recording Return To:
The Office of City Attorney
241 W. South St.
Kalamazoo, MI 49007
(269) 337-8185

EXHIBIT 'A'
EASEMENT SKETCH



15 foot Water Main Easement over Parcel 3906-27-425-002:

A 15 foot water main easement lying 7.50 feet either side of the following described centerline: Commencing at the Northeast corner of Lot 31, Delos & Phillips Addition to the City of Kalamazoo, as recorded in Liber 3 of Plats, Page 19, Kalamazoo County Records; thence West along the North line of said Lot and the South right-of-way line of Phillips Street, 124.6 feet to the Westerly line of Phillips Street; thence Northeasterly along said Westerly line to a point 7.50 feet North of the North line of said Lot; thence West parallel to the North line of said Lot to a point 277.50 feet West of the Northeast corner of said Lot; thence South parallel to the East line of said Lot, 304.5 feet, more or less, to the South line of said Lot and the place of beginning of the center line hereinafter described; thence South parallel to the East line of said Lot to a point 7.50 feet South of the South line of said Lot; thence East parallel to the South line of said Lot, 210.00 feet; thence South 45° East, 45.00 feet; thence East parallel to the South line of said Lot, 7.00 feet to the point of ending.

NOTE: The above description was prepared from available records, no field survey was performed.

Prein&Newhof
Engineers ▪ Surveyors ▪ Environmental ▪ Laboratory
7123 STADIUM DRIVE
KALAMAZOO, MICHIGAN 49009
PHONE: (269) 372-1158

9/23/2016

SCALE: 1" =60'

-60' 0' 30' 60'

T:\CIVIL3D PROJECTS\2016\2160291 CITY OF KALAMAZOO WATERMAIN IMPROVEMENTS 2016\DWG\HERITAGE\2160291 HERITAGE EASEMENT_SOUTH.DWG - DGORDON - Sep. 23 2016 - 01:47pm

Commission Agenda Report

City of Kalamazoo

TO: Mayor Hopewell, Vice Mayor Cooney, and City Commissioners

FROM: Scott A. Borling, City Clerk

DATE: 2/27/2017

SUBJECT: Approval of City Commission Minutes

RECOMMENDATION

It is recommended that the City Commission approve the minutes from its meetings on January 17, January 23, February 6, and February 20, 2017.

ATTACHMENTS:

Type	Description
Minutes	January 17, 2017 Business Meeting
Minutes	January 23, 2017 Work Session
Minutes	February 6, 2017 Business Meeting
Minutes	February 20, 2017 Business Meeting

A regular meeting of the Kalamazoo City Commission was held on Tuesday, January 17, 2017 at 7:03 p.m. in the City Commission Chambers at City Hall.

Roll Call

COMMISSIONERS PRESENT: Mayor Bobby J. Hopewell
Vice Mayor Don Cooney
David Anderson
Erin Knott
Matt Milcarek
Shannon Sykes
Jack Urban

COMMISSIONERS ABSENT: None

Also present were City Manager James Ritsema, City Attorney Clyde Robinson, and Deputy City Clerk Shelby Moss.

Invocation

The invocation, given by Pastor Strick Strickland from Second Baptist Church, was followed by the Pledge of Allegiance.

Presentation of the Social Justice Youth Awards

Mayor Hopewell introduced the presenters of the 2017 Social Justice Youth Awards.

Judy Woolsey, Assistant to the CEO of Schupan and Sons, presented Schupan & Sons Youth Social Justice Award to Daba Schau.

John Pinkster, Director of South Operation for Life EMS, presented the Life EMS Social Justice Youth Award to Isaac Moss.

Ronald Foor, Community President of Fifth Third Bank, presented the Fifth Third Bank Social Justice Youth Award to Taylor Brown.

Dr. Lewis Walker of the Lewis Walker Institute for the Study of Race and Ethnic Relations, presented the Dr. Lewis Walker Social Justice Youth Award to Lauren Hill.

A transcript of the remarks made by Mayor Hopewell and the presenters was filed with the papers for this meeting.

Adoption of the Agenda

By unanimous consent the City Commission adopted its meeting agenda with the following change:

A citizen requested Item F5 (reappointments to the Board of Review for Assessments and the Parks and Recreation Advisory Board) be moved from the Consent Agenda to the Regular Agenda.

Communications

City Manager Ritsema announced there would be a City Commission work session on Monday, January 23, 2017 at 6:00 p.m. in the Community Room at City Hall. City Manager Ritsema stated the discussion topic would be the Foundation for Excellence.

Public Hearing re: Rezoning of 45 Parcels in the Riverfront Redevelopment Area

At 7:20 p.m. Mayor Hopewell opened a public hearing to receive comments on an ORDINANCE to 1) rezone 45 parcels from Zone M-1 (Manufacturing, Limited District), Zone M-2 (Manufacturing, General

District), and Zone CCBD (Commercial, Central Business District) to Zone CMU (Commercial, Mixed-Use District); 2) amend the Riverfront Overlay District to add Subarea 9; and 3) add the new Subarea 9 of the Riverfront Overlay District to the parcels.

Public Hearing re: Rezoning of 45 parcels in the Riverfront Redevelopment Area (cont'd)

At 7:21 p.m. Mayor Hopewell closed the public hearing.

Commissioner Anderson thanked City staff for their hard work.

Commissioner Urban expressed support for the ordinance and stated the site of the proposed rezoning was very important to the downtown area.

Commissioner Urban, seconded by Commissioner Milcarek, moved to adopt an **ORDINANCE** to 1) rezone 45 parcels from Zone M-1 (Manufacturing, Limited District), Zone M-2 (Manufacturing, General District), and Zone CCBD (Commercial, Central Business District) to Zone CMU (Commercial, Mixed-Use District); 2) amend the Riverfront Overlay District to add Subarea 9; and 3) add the new Subarea 9 of the Riverfront Overlay District to the parcels.

Ordinance 1945 Rezoning 45 parcels in the Riverfront Redevelopment Area

With a roll call vote this motion passed unanimously:

AYES: Commissioners Anderson, Knott, Milcarek, Sykes, Urban, Vice Mayor Cooney, Mayor Hopewell

NAYS: None

Consent Agenda items were presented as follows with a recommendation to approve the items with authorization for the City Manager to sign on behalf of the city:

Consent Agenda

- approval of a two-year contract extension with Rathco Safety Supply, Inc. for rental of temporary traffic control devices in the amount of $300,000.

- approval of a contract for engineering design services with Jones & Henry Engineers, LTD for the design of solids handling and dewatering improvements at the City of Kalamazoo Water Reclamation Plant in the amount of $350,000.00.

- adoption of a **RESOLUTION** granting a Payment in Lieu of Taxes for the LIFT Foundation, doing business as New Horizon Village (Parcel No. 06-11-160-001, pursuant to Section 35-4 of the Kalamazoo City Code.

Resolution 17-01

- approval of the reappointments of Mayor Bobby J. Hopewell and City Manager James Ritsema to the Kalamazoo County Consolidated Dispatch Authority Governing Board of Directors, with Public Safety Chief Jeff Hadley and Deputy City Manager Jeff Chamberlain as alternates; and the reappointment of Deputy Public Safety Chief Karianne Thomas to the Kalamazoo County Consolidated Dispatch Technical Advisory Committee, with Dispatch Center Group Leader, John Hurst as an alternate. These reappointments will expire on December 31, 2018.

Consent Agenda (cont'd)

- approval of the minutes from the City Commission meetings on December 12 and December 19, 2016.

- approval of a recommendation to hold until February 6, 2017 approval of the sale of 1213 John Street to Alfredo and Linda Zuniga for $120.00.

Commissioner Knott, seconded by Vice Mayor Cooney, moved to approve the consent agenda requests and authorize the City Manager to sign all documents on behalf of the City.

With a roll call vote this motion passed.

AYES: Commissioners Anderson*, Knott, Milcarek*, Sykes, Urban, Vice Mayor Cooney, Mayor Hopewell

NAYS: None

*At the time of the vote, Commissioners Anderson and Milcarek announced they were abstaining on Item F3 (Payment in Lieu of Taxes for the LIFT Foundation) due to conflicts of interest.

Regular Agenda

Regular Agenda items were considered next.

When an opportunity was given for citizens to comment on the reappointments to the Board of Review for Assessments and the Parks and Recreation Advisory Board (PRAB), the following people addressed the City Commission:

Zadie Jackson, City resident, expressed support for the reappointment of Meka Phillips to PRAB.

Meka Phillips, City resident and Chair of PRAB, expressed her desire to continue serving the City of Kalamazoo on this board.

Vice Mayor Cooney, seconded by Commissioner Milcarek, moved to approve the following reappointments to boards and commissions:

- the reappointment of Donna Keller to the Board of Review for Assessments for a term expiring on January 31, 2020; and

- and the reappointment of Meka Phillips to the Parks and Recreation Advisory Board for a term expiring on January 1, 2020. This reappointment includes the waiver of City Commission rule 12e regarding term limits.

With a roll call vote this motion passed unanimously.

AYES: Commissioners Anderson, Knott, Milcarek, Sykes, Urban, Vice Mayor Cooney, Mayor Hopewell

NAYS: None

Adoption of the FY2017 Budget

An opportunity was given for citizens to comment on the adoption of the FY2017 Budget, but no comments were offered.

City Manager Ritsema thanked City staff for their hard work and highlighted the importance of the millage reduction provided by the Foundation for Excellence. City Manager Ritsema remarked on the sixty-two positions being added to the budget and the importance of these positions to continue the work of the Foundation for Excellence.

Commissioner Knott, seconded by Commissioner Urban, moved to adopt the budget resolution, component unit budgets, and fee schedules as follows:

- adoption of the Annual Appropriation **RESOLUTION** for the year 2017, which sets forth the number of mills to be levied, approves an interim appropriation for the year 2018, and establishes policies for the administration of the budget. — Resolution 17-02

- approval of the proposed FY2017 Downtown Development Authority (DDA) budget, as submitted by the DDA Board.

- approval of the proposed FY2017 Brownfield Redevelopment Authority (BRA) budget as submitted by the BRA Board.

- approval of the proposed FY2017 Economic Development Corporation (EDC) budget as submitted by the EDC Board.

- adoption of a **RESOLUTION** setting the 2017 fees for various permits hearings, etc. within the Community Planning & Development Department. — Resolution 17-03

- adoption of a **RESOLUTION** setting the 2017 fees and charges for the Parks and Recreation Department. — Resolution 17-04

- approval of the 2017 proposed fee schedule for the Kalamazoo Municipal Golf Association.

Prior to a vote on the motion, Commissioner Anderson commented on the extensive budget process and thanked City Manager Ristsema and staff for their hard work.

Vice Mayor Cooney commeneded City Manager Ristsema and staff for striving to provide a high quality of life for residents.

Mayor Hopewell remarked on the importance of the budget process and the integration of the budget to the priorities of the Commission.

With a roll call vote this motion passed unanimously:

AYES: Commissioners Anderson, Knott, Milcarek, Sykes, Urban, Vice Mayor Cooney, Mayor Hopewell

NAYS: None

City Manager's Report

City Manager Ritsema provided the following reports and updates:

- Departmental Reports and Project Updates
- Inside the City, January 2017 edition
- December 2016 Purchases

James Baker, Public Services Director, addressed the Commission on the timeline for the 2017 Vine Street Project between Davis and Oak Street. Director Baker's notes have been filed with the papers for this meeting.

In response to questions from Commissioner Sykes, Director Baker stated the public meeting held on November 3, 2016 was promoted though the Vine Neighborhood Association, but he was unsure of the exact number of attendees. Director Baker stated meeting participants' concerns were discussed at the meeting, and he would follow up with Commissioner Sykes on the exact number of meeting participants.

In response to questions from Vice Mayor Cooney, Director Baker stated his office received one phone call regarding the "door hanger" tree removal notices, and one resident inquired at the neighborhood meeting about the species of tree that would be replanted.

City Manager Ritsema previewed the upcoming January 23rd City Commission Work Session regarding the Foundation for Excellence. A copy of this presentation was filed with the papers for this meeting.

Citizen Comments

When an opportunity was given for general citizen comments, the following people addressed the City Commission:

Nehemiah Scudder, City resident, remarked on the events surrounding the Martin Luther King Jr. holiday, and he commented on the need to be inclusive when marking important historical events.

Paul VandenBosch, non-resident, expressed support for the shut-down of the Palisades Nuclear Power Plant and requested the Commission support Consumers Energy in their request to the Michigan Public Service Commission to shut down the plant by 2018.

Zach Lassiter, City resident, expressed concerns regarding the number of non-profit properties on the tax roll.

Gunnars Kaire, City resident, expressed concerns regarding the removal of trees from the Vine Neighborhood and the proposed widening of Vine Street. Mr. Kaire's notes were filed with the papers for this meeting.

James Kavanaugh, City resident and owner of Cosmo's Cucina and O'Duffy's Pub, expressed concerns regarding the planning meetings and resident notices regarding the Vine Street widening project and the lack of parking access from Vine Street for a significant portion of the construction project.

Citizen Comments (cont'd)

Judd Easton, City resident, expressed opposition to the Vine Street widening project and suggested the funding would be better used for improvements on other streets. Mr. Easton expressed frustration with the lack of notices to residents before trees were removed.

City Commissioner Comments

Next, an opportunity was given for miscellaneous comments and concerns of City Commissioners.

Commissioner Milcarek expressed concerns regarding the Vine Street widening project and urged City staff to understand the personal nature of these projects to residents.

Commissioner Urban reported he had met with City staff regarding the Vine Street widening project, and he discussed lessons staff had learned during the course of the project. Commissioner Urban remarked on the challenges created by having a large gap between the planning and execution stages of a project. Commissioner Urban stated City staff would be reviewing their notification policies for all projects, and he advised staff to be understanding and compassionate towards residents' concerns.

Commissioner Knott expressed concerns regarding the removal of trees due to the Vine Street widening project, and she related residents' concerns regarding the lack of notices about the project.

Commissioner Sykes expressed concerns regarding the community engagement portion of the Vine Street widening project. Commissioner Sykes asked City departments to collaborate on noticing efforts and share their knowledge of effective and ineffective noticing techniques. Commissioner Sykes requested City staff spend additional face to face time with City residents concerning the Vine Street widening project.

Commissioner Anderson requested a presentation that would cover the following topics: the classification of streets in the City; how funding from various sources was divided up among the various types of streets; and a listing of projects proposed for funding through the Michigan Department of Transportation and the Kalamazoo Area of Transportation Study.

Vice Mayor Cooney remarked on the lack of community support for the Vine Street widening project and the removal of trees from the neighborhood. Vice Mayor Cooney inquired if the Vine Street widening project could be modified to address residents' concerns.

Mayor Hopewell noted there was a general lack of understanding regarding the process for prioritizing and funding infrastructure projects. Referring to his many years of service on City boards, Mayor Hopewell observed there would always be people who did not know about a project or who did not receive a notice. Mayor Hopewell requested that staff take the following actions to improve the management of infrastructure projects: 1) develop specific steps community engagement; 2) have an alternate community engagement plan for when the primary plan did not facilitate enough participation; 3) tailor noticing techniques to the housing demographic on the street being affected by a project; 4) have a plan in

City Commissioner Comments (cont'd)

place to support businesses during a project; 5) establish an after action review process; and 6) continue efforts in departmental collaboration. Mayor Hopewell stated there was lots of work to accomplish in 2017, and he urged City staff to help everyone better understand current and future projects.

Adjournment

The meeting adjourned at 8:49 p.m.

Respectfully submitted,

Shelby Moss
Deputy City Clerk

For City Commission approval on March 6, 2017

Approved by: _____
Bobby J. Hopewell, Mayor
Dated: March 6, 2017

This page was left blank intentionally.

A work session of the Kalamazoo City Commission was held on Monday, January 23, 2017 at 6:00 p.m. in the Community Room at City Hall. The purpose of the meeting was to review the Proposed FY2017 Budget.

Roll Call

COMMISSIONERS PRESENT:	Mayor Bobby Hopewell Vice Mayor Don Cooney David Anderson Erin Knott Matt Milcarek Shannon Sykes Jack Urban
COMMISSIONERS ABSENT:	None

Also present were City Manager Jim Ritsema, City Attorney Clyde Robinson, and City Clerk Scott Borling.

Communications

An opportunity was offered for general communications, but none were offered.

Discussion Items

Discussion items were considered next.

Methods for Evaluating and Selecting Foundation for Excellence Programs

City Manager Ritsema provided introductory remarks for a PowerPoint presentation entitled *City Commission Work Session, January 23, 2017*. A copy of this presentation was filed with the papers for this meeting.

Community Planning and Development Director Laura Lam reviewed the Foundation for Excellence (FFE) timeline, the FFE plan for 2017-2018, Maslow's Hierarchy of Needs as it related to the work of the City, and a diagram showing how the FFE fit with other City initiatives.

Chief Financial Officer Tom Skrobola reviewed the Priority Based Budgeting tool and highlighted modifications to the tool that would enable it to be used for scoring FFE programs. CFO Skrobola also reviewed the results of the City Commission's "FFE $1,000 Prioritization Exercise."

Deputy City Manager Jeff Chamberlain facilitated a discussion of the proposed models for evaluating FFE programs and integrating the FFE with existing City programs.

Commissioners discussed the process and challenge of scoring and prioritizing FFE programs, including whether the prioritization of result and the broad result categories would cause program scores to be diluted.

In response to Commissioners' questions, City Manager Ritsema explained the results from the City Commission's "FFE $1,000 Prioritization Exercise" would be used to prioritize the PBB community results, and he noted there were definitions for each of the result areas, which would help with program scoring. City Manager Ritsema suggested that concerns about the dilution of program scores could be addressed by considering both the raw scores and the weighted scores.

Commissioner Urban spoke of the need to consider the perception of citizens and the FFE donors regarding the use of aspirational project

Methods for Evaluating and Selecting Foundation for Excellence Programs (cont'd)

dollars. Commissioner Urban stated FFE projects and programs should not duplicate existing programs in the community.

Mayor Hopewell remarked that PBB was the strongest program/project prioritization tool the City had ever used.

In response to questions from Commissioners, Director Lam stated over 100 programs would be scored for the Commission prior to the March 4th retreat. Director Lam indicated the information available from Imagine Kalamazoo 2025 showed strong community support for core services, but citizens were interested in programs that would impact more than one community result area.

Discussion took place regarding the tension between taking time to thoroughly evaluate and pilot potential programs for wise investment of FFE dollars and the need to have some quick successes and take advantage of "low hanging fruit."

In response to a question from Commissioner Sykes, City Manager Ritsema explained the FFE program scoring, the development of program metrics, the reporting of program results, and the creation of feedback loops would help identify where there were holes in the City's response to community needs.

In response to a question from Commissioner Milcarek, Director Lam stated the IK2025 plan would be completed in 2017, which would be followed by the development of goals and action items. Director Lam noted the IK2025 plan would inform other City plans like the Consolidated Plan and Parks and Recreation Master Plan.

Commissioner Urban suggested the project scoring process used by the Kalamazoo Area Transportation Study (KATS) as a model for scoring FFE projects, and he asked whether the City would be able to identify for the community the projects being funded by the FFE.

In response to Commissioner Urban, Deputy City Manager Chamberlain reported the City Manager's Office was developing back office systems to track and report on FFE projects.

Commissioner Milcarek remarked that for practical reasons 2017 FFE dollars would be used to boost existing programs and fund shovel ready projects, and City needed to set peoples' expectations accordingly.

Mayor Hopewell compared the current situation with the receipt of funding through the American Recovery and Reinvestment Act (ARRA) in 2009-2010. Mayor Hopewell noted that ARRA funded both shovel-ready projects and projects that required planning and development.

Commissioner Sykes asked whether there would be separate scoring for big ideas generated through Shared Prosperity Kalamazoo (SPK).

Discussion took place about the use of FFE funds to address and end poverty.

Methods for Evaluating and Selecting Foundation for Excellence Programs (cont'd)

Mayor Hopewell suggested that 2017 FFE funds be used to boost support for programs identified through the SPK process.

Commissioner Cooney expressed agreement with Mayor Hopewell and suggested that SPK participants use 2017 to develop a plan to end poverty, which would incorporate the big ideas mentioned by Commissioner Sykes.

City Manager Ritsema reminded Commissioners that shovel ready projects would be identified through the FFE program scoring process. City Manager Ritsema provided information on the March 4th City Commission retreat and noted the work session would include a discussion of moving from the City Commission Priorities to PBB as a way to express goals and measure performance.

Citizen Comments

When an opportunity was given for general citizen comments, the following people addressed the City Commission:

Chris Sinclair, City resident, stated the Kalamazoo Animation Festival International (KAFI) was transformational and indicated it would be great if this event would return to Kalamazoo.

Adam Roth, City resident, asked about the application process to receive funding.

Larry Schlack, City resident, stated the City was on the right track and indicated he would be making suggestions for the FFE.

James Greene, City resident, asked how citizens could submit proposals for ending poverty.

Zach Lassiter, City resident, remarked that some projects looked good but were not good, and he asked Commissioners to consider that some of the City's greatest areas of need did not have advocates.

Mayor Hopewell explained that Imagine Kalamazoo 2025 was the process for citizens to use to have input and share their ideas for Kalamazoo. Mayor Hopewell clarified there was no intent for the City to become a granting agency like the Kalamazoo Community Foundation. Mayor Hopewell noted that the City was not the organization behind KAFI.

Commissioner Comments

Finally, an opportunity was given for miscellaneous comments and concerns from City Commissioners.

Vice Mayor Cooney stated the SPK plan needed to be developed by the community, and he recommended the plan and process use by Nashville, Tennessee.

Commissioner Sykes stated the recent transition of leadership in the federal government had created fear in some parts of the community, and she urged Commissioners to have ongoing discussions about easing these fears.

Commissioner Urban remarked on the need for the City to build and keep the community's trust during implementation of the FFE.

The meeting adjourned at 7:57 p.m.

Adjournment

Respectfully submitted,

Scott A. Borling
City Clerk

For City Commission approval on March 6, 2017

Approved by: _____
Bobby J. Hopewell, Mayor
Dated: March 6, 2017

A regular meeting of the Kalamazoo City Commission was held on Monday, February 6, 2017 at 7:00 p.m. in the City Commission Chambers at City Hall.

Roll Call

COMMISSIONERS PRESENT: Mayor Bobby J. Hopewell
Vice Mayor Don Cooney
David Anderson
Erin Knott
Matt Milcarek
Shannon Sykes
Jack Urban

COMMISSIONERS ABSENT: None

Also present were City Manager Jim Ritsema, City Attorney Clyde Robinson, and City Clerk Scott Borling.

Invocation

The invocation, given by Father Andrew Raczkowski, St. Joseph Catholic Church, was followed by the Pledge of Allegiance.

Introduction of Guests

Renee Mitchell and John Olbrot, President and Vice President of the Kalamazoo Bike Club, presented the City Commission with the *Friend of Bicycling Award*. Mayor Hopewell received the award on behalf of the Commission.

Adoption of the Agenda

By unanimous consent the City Commission adopted its meeting agenda with the following change:

Mayor Hopewell announced a discussion of “sanctuary cities” would take place during the New Business section of the agenda.

Communications

When an opportunity was given for general communications, City Manager Ritsema announced there would be a City Commission retreat on Saturday, March 4th at 8:30 a.m. in the Governing Board Room at Metro Transit to identify projects to be funded with the Foundation for Excellence.

Consent Agenda

Consent Agenda items were presented as follows with a recommendation to approve the items with authorization for the City Manager to sign on behalf of the city:

- approval of a contract with Frederick Construction for Phase II of City Hall renovations in the amount of $115,671.

- approval of a one year contract with with Consumers Concrete Corporation for ready mixed concrete in the amount of $318,625.

- approval of the purchase of eight (8) Ford Explorers from Gorno Ford through the MiDEAL purchasing program in the amount of $223,200.

- first reading of an ordinance to amend certain sections of Chapter 28 of the Kalamazoo City Code to incorporate mandated Federal/State Industrial Pretreatment Program Local Limit

Standards and corrections to the units within the Rate Schedules Charges.	
- adoption of a **RESOLUTION** approving an application for a Michigan Natural Resources Trust Fund grant in the amount of $300,000 for the development and rehabilitation of Bronson Park as part of the Bronson Park 21st Century Campaign. This resolution also approves a Memorandum of Understanding with Kalamazoo County, which is required by the Trust Fund, and authorizes the City Manager to sign all related documents.	Resolution 17-05
- adoption of a **RESOLUTION** accepting a grant from the Dorothy U. Dalton Foundation in the amount of $50,000 for the Bronson Park 21st Century Campaign.	Resolution 17-06
- adoption of a **RESOLUTION** accepting a $50,000 grant pledged by the Rotary Club of Kalamazoo for the Bronson Park 21st Century Campaign.	Resolution 17-07
- adoption of Notice of Intent **RESOLUTIONS** for the issuance of 2017 Capital Improvement Bonds and Water Revenue Bonds.	Resolutions 17-08 and 17-09
- authorization for the City Manager to execute a Bilateral Permit with Everstream GLC Holding Company, L.L.C. pursuant to the Metropolitan Extension Telecommunications Right of Way Oversight (METRO) Act.	
- authorization for the City Manager to sign an agreement with the Michigan Department of Environmental Quality for a Wellhead Protection Program Grant.	
- authorization for the City Manager to accept all donations made for the Bronson Park 21st Century Campaign.	
- approval of an encroachment agreement with MW Acquisitions, LLC to address two recently discovered encroachments on the City's property at 459 N. Rose Street.	

- approval of the Mayor's appointments and reappointment to the Historic District Commission:
  - the appointment of **Jeremy Berg** for a term expiring on January 1, 2020;
  - the appointment of **John Mitchell** for a term expiring on January 1, 2020;
  - the reappointment of **Grant Fletcher** for a term expiring on January 1, 2020.	

- approval of the minutes from the City Commission meeting on January 3, 2017.	

Consent Agenda (cont'd)

Commissioner Knott, seconded by Commissioner Urban, moved to approve the consent agenda requests and authorize the City Manager to sign all documents on behalf of the City.

With a roll call vote this motion passed unanimously.

AYES: Commissioners Anderson, Knott, Milcarek, Sykes, Urban, Vice Mayor Cooney, Mayor Hopewell

NAYS: None

New Business

Items of New Business were considered next.

Discussion of City Policies/Practices re: Enforcement of Federal Immigration Laws

Commissioners Milcarek and Sykes provided introductory remarks on the need to think and talk about the City's role in the enforcement of federal immigration laws, especially in light of the recent executive order from President Donald Trump on this topic.

Commissioner Anderson asked if Chief Hadley and/or City Attorney Robinson could describe how current City policies worked.

Public Safety Chief Jeff Hadley described President Trump's executive order and reviewed Kalamazoo Department of Public Safety (KDPS) General Order No. 40 (G-40). Chief Hadley noted G-40 prohibited officers from soliciting immigration status information from people seeking police services or who were victims of, or witnesses to, a crime. Chief Hadley stated KDPS had neither the capacity nor the desire to enforce federal immigration laws, and he indicated the department was operating in the spirit of the City Commission's 2016 "welcoming community" proclamation. Chief Hadley reported he was working with Michigan United to clarify some the language in G-40.

In response to questions from Commissioner Milcarek Chief Hadley reported he knew of only one time in the past nine years when federal Immigration and Customs Enforcement (ICE) agents had conducted activities in Kalamazoo, and that action was to apprehend undocumented individuals who had been convicted of violent crimes. Chief Hadley explained that G-40 only dealt with KDPS officers requesting information from federal agencies, not decisions made around federal requests for assistance. Chief Hadley noted that such decisions were made at high levels within KDPS and not by officers on the street. Chief Hadley offered to include language in G-40 that would provide guidance for decisions to partner with federal agencies.

Commissioner Knott suggested the City issue a statement summarizing Chief Hadley's remarks and the proclamation from 2016.

In response to questions from Commissioner Sykes, Chief Hadley indicated one of the proposed changes to G-40 was the use of a term like "undocumented individual" instead of "illegal alien." Chief Hadley explained the typical reason for officers to inquire about immigration status was the identification of a person in custody who could not be identified by other means.

Discussion of City Policies/Practices re: Enforcement of Federal Immigration Laws (cont'd)

Commissioner Cooney highlighted Chief Hadley's position that the City did not have the capacity or interest to enforce immigration laws. Commissioner Cooney stated Kalamazoo was a welcoming community and indicated he was proud to a part of the demonstration in Bronson Park on February 5th.

In response to a question from Commissioner Sykes, City Attorney Robinson stated there was no official definition of a "sanctuary city." City Attorney Robinson explained the system of checks and balances and separation of powers between the federal and state governments. City Attorney Robinson noted the federal government could not federalize KDPS for the purpose of immigration enforcement, but Congress could incentivize participation with federal law enforcement by making participation a condition of grant funding.

Commissioner Urban recommended the City Commission affirm its 2016 proclamation and warned against enhancing the current climate of fear by acting out of fear.

Commissioner Milcarek noted the state legislature was considering bills that would force local law enforcement participation with federal agencies.

Mayor Hopewell commented on the legislation referenced by Commissioner Milcarek and noted it was unlikely this legislation would pass or that the Governor would sign it. Mayor Hopewell read the last paragraph from the 2016 proclamation and requested that the dates of the proclamation and G-40 be included in the City's statement so people would see that the City's response was not a reaction to the President's executive order.

Citizen Comments

When an opportunity was given for general citizen comments, the following people addressed the City Commission:

Nehemiah Scudder, City resident, remarked on the need to protect people suffering from mental illness.

Corey Smith, City resident, spoke about keeping the streets safe for young people and asked the community to support a youth basketball team he was coaching.

Frank Warren, City resident, spoke about President Donald Trump, immigrants, and the history of undocumented individuals serving in the military.

Sherry Opalka, City resident, requested clarification of the definition of "crime" as it related to the basis for the City's cooperation with federal officials, and she requested information on pending state legislation regarding sanctuary cities.

The following citizens expressed opposition to the Vine Street widening project and requested the City stop the project:

Gunnars Kaire, City resident
Judd Easton, City resident

Citizen Comments (cont'd)

Jamie Kavanaugh, City resident
Kristi Breisach, City resident
Dan Higgs, City resident
Lisa Murphy, City resident
Sarah Ruggles, City resident
Kat Olsen, City resident
Martha Gonzales, City resident
Gabe Wolverton, City resident

City Commissioner Comments

Next, an opportunity was given for miscellaneous comments and concerns of City Commissioners.

Commissioner Milcarek expressed support for pausing the Vine Street widening project and going "back to the drawing board."

City Manager Ritsema reported he had asked Public Services Director James Baker to suspend the Vine Street widening project as the initial community outreach had been done several years prior and involved a different group of people.

Commissioner Urban thanked City Manager Ritsema for suspending the project and stated the City needed to replace the trees it had removed. Commissioner Urban expressed concern about the effect of this decision on the City's project partners, and the loss of funding for this project, precedent being set with the abruptness of the project suspension. Commissioner Urban remarked that this action would a send strong signal that the Commission was responsive to citizens.

Commissioner Knott requested a meeting with the Traffic Engineer about the implementation of Complete Streets concepts.

Commissioner Sykes thanked Chief Hadley and City Attorney Robinson for providing information on the City's immigration enforcement policies. Commissioner Sykes urged the City to anticipate and plan for hypothetical changes to federal laws and policies that might require the City to assist with the enforcement of immigration laws.

Vice Mayor Cooney noted the City Commission was being responsive to citizen concerns regarding the Vine Street project.

Mayor Hopewell stated he enjoyed the dynamics of the debate around the Vine Street project and indicated he would be interested to see the outcome.

Closed Session

Commissioner Knott seconded by Commissioner Sykes, moved that the City Commission go into closed session to discuss pending litigation and labor negotiations.

Prior to a vote on the motion, Mayor Hopewell indicated the City Commission would return to open session following the closed session.

Closed Session (cont'd)

With a roll call vote this motion passed unanimously.

AYES: Commissioners Anderson, Knott, Milcarek, Sykes, Urban, Vice Mayor Cooney, Mayor Hopewell

NAYS: None

The City Commission went into closed session at 8:46 p.m.
The City Commission returned to open session at 9:05 p.m.

Settlement with Bronson Hospital re: Patricia Sabo

Commissioner Urban, seconded by Commissioner Anderson, moved that the City accept the offer by Bronson Healthcare Group of $60,000 to settle its legal action seeking payment for no-fault medical benefits provided to Patricia Sabo that resulted from an October 21, 2014 accident involving a Metro Transit bus.

With a roll call vote this motion passed unanimously.

AYES: Commissioners Anderson, Knott, Milcarek, Sykes, Urban, Vice Mayor Cooney, Mayor Hopewell

NAYS: None

Adjournment

The meeting adjourned at 9:06 p.m.

Respectfully submitted,

Scott A. Borling
City Clerk

For City Commission approval on March 6, 2017

Approved by: _____
Bobby J. Hopewell, Mayor
Dated: March 6, 2017

A regular meeting of the Kalamazoo City Commission was held on Monday, February 20, 2017 at 7:00 p.m. in the City Commission Chambers at City Hall.

Roll Call

COMMISSIONERS PRESENT:	Vice Mayor Don Cooney David Anderson Erin Knott Matt Milcarek Shannon Sykes Jack Urban
COMMISSIONERS ABSENT:	Mayor Bobby J. Hopewell

Also present were City Manager James Ritsema, City Attorney Clyde Robinson, and City Clerk Scott Borling.

Commissioner Excused

Commissioner Urban, seconded by Commissioner Anderson, moved to excuse the absence of Mayor Hopewell. With a voice vote this motion passed.

Invocation

A moment of silence was followed by the Pledge of Allegiance.

Adoption of the Agenda

By unanimous consent the City Commission adopted its meeting agenda as presented.

Communications

City Manager Ritsema announced there would be a City Commission retreat on Saturday, March 4th at 8:30 a.m. in Governing Board Room at Metro Transit. City Manager Ritsema stated the discussion topic would be programs and projects to be funded with the Foundation for Excellence.

Consent Agenda

Consent Agenda items were presented as follows with a recommendation to approve the items with authorization for the City Manager to sign on behalf of the city:

- approval of a one-year contract extension Alexander Chemical Corporation for the purchase of fluorosilic acid in the amount of $112,000.

- approval of a professional service agreement with The Foster Group for water and wastewater rate consulting services in the amount of $140,000.

- approval of a change order with the Road Commission of Kalamazoo County in the amount of $203,783.31 for the East Main Street Safety Improvement Cost Sharing Agreement.

- approval of a contract extension with Etna Supply Company for the purchase of water meters in the amount of $250,000.

- approval of a contract with Hoffman Brothers Construction for the proposed construction on Farmers Alley in the amount of

$955,264.60; and approval of an amendment to the local streets capital budget to utilize $154,000 of bond reserves for this project.

- adoption of a **RESOLUTION** from the Michigan Department of Licensing and Regulatory Affairs, Liquor Control Commission allow Heritage Community of Kalamazoo to obtain a Nonpublic Continue Care Retirement Center (CCRC) Liquor License at 2300 Portage Street. — Resolution 17-10

- adoption of a **RESOLUTION** authorizing city staff to continue applying for and receiving the necessary permits to perform work within Michigan Department of Transportation rights-of-way. — Resolution 17-11

- adoption of a **RESOLUTION** designating the polling facility for Precinct 20 to be used during the election on May 2, 2017 and for each election thereafter. — Resolution 17-12

- approval of the Mayor's appointments to the Planning Commission:

    - the appointment of **Alfonso Espinosa** for a term beginning on April 1, 2017 and expiring on March 31, 2020.

    - the appointment of **James Pitts** for a term expiring on March 31, 2018.

    - the appointment of **Sakhi Vyas** for a term expiring on March 31, 2020.

Commissioner Sykes, seconded by Commissioner Knott, moved to approve the consent agenda requests and authorize the City Manager to sign all documents on behalf of the City.

With a roll call vote this motion passed.

AYES: Commissioners Anderson, Knott, Milcarek, Sykes, Urban, Vice Mayor Cooney

NAYS: None

Regular Agenda items were considered next. — Regular Agenda

An opportunity was given for citizens to comment on an ordinance to amend certain sections of Chapter 28 of the Kalamazoo City Code to incorporate mandated Federal/State Industrial Pretreatment Program Local Limit Standards and corrections to the units within the Rate Schedules Charges, but no comments were offered. — Ordinance 1946 re: Federal/State Industrial Pretreatment Program Local Limit Standards

Commissioner Urban, seconded by Commissioner Milcarek, moved to adopt an **ORDINANCE** to amend certain sections of Chapter 28 of the Kalamazoo City Code to incorporate mandated Federal/State Industrial Pretreatment Program Local Limit Standards and corrections to the units within the Rate Schedules Charges.

Ordinance 1946 re: Federal/State Industrial Pretreatment Program Local Limit Standards (cont'd)

With a roll call vote this motion passed.

AYES: Commissioners Anderson, Knott, Milcarek, Sykes, Urban, Vice Mayor Cooney

NAYS: None

Resolution 17-13 in Support of Washington Writers' Academy and Woodward School

When an opportunity was given for citizens to comment on a resolution in support of keeping open Washington Writers' Academy and the Woodward School for Technology and Research, the following people addressed the City Commission and spoke in support of the resolution:

Frank Warren, City resident
Sherry Opakla, City resident
Noah Krzan, City resident
Nehemiah Scudder, City resident

Commissioner Knott, seconded by Commissioner Sykes, moved to adopt a **RESOLUTION** in support of keeping open Washington Writers' Academy and the Woodward School for Technology and Research.

Prior to a vote on the motion, Commissioner Urban suggested the City file an amicus brief on behalf of Kalamazoo Public Schools (KPS) if KPS filed a lawsuit against the state.

Commissioner Sykes expressed support for the resolution and Commissioner Urban's suggestion. Commissioner Sykes thanked KPS teachers and administrators for their hard work on behalf of children in the community.

Commissioner Cooney stated poverty ion the community was the real issue behind poor academic performance.

With a roll call vote this motion passed.

AYES: Commissioners Anderson, Knott, Milcarek, Sykes, Urban, Vice Mayor Cooney, Mayor Hopewell

NAYS: None

Resolution 17-14 Supporting the Creation of a Kalamazoo County ID Program

When an opportunity was given for citizens to comment on a resolution supporting the creation of a Kalamazoo County ID Program, the following people addressed the City Commission and spoke in support of the resolution:

Launda Wheatley, non-resident
Lizbeth Fuentes, non-resident
Larry Provancher, non-resident
Yasmin Fuentes, non-resident
Nelly Fuentes, non-resident

Commissioner Milcarek, seconded by Commissioner Urban, moved to adopt a **RESOLUTION** supporting the creation of a Kalamazoo County ID Program.

With a roll call vote this motion passed.

Resolution 17-14 Supporting the Creation of a Kalamazoo County ID Program (cont'd)

AYES: Commissioners Anderson, Knott, Milcarek, Sykes, Urban, Vice Mayor Cooney, Mayor Hopewell

NAYS: None

City Manager Ritsema provided the following reports and updates:

City Manager's Report

- Departmental Reports and Project Updates
- *Inside the City* newsletter, February 2017 edition
- January 2017 Purchases

City Manager Ritsema reported that recently mailed assessment notices included flyers about the reduction in the City's operating millage. City Manager Ritsema explained that the assessment notices provided information about property values and did not deal with the millage rate.

Next, items of new business were considered.

New Business

City Manager Ritsema reminded Commissioners that their regular meeting schedule included work sessions on the fourth Mondays of each month, and he recommended the City Commission cancel the work session on Monday, February 27th in light of the retreat that would take place on Saturday, March 4th.

Cancellation of City Commission Work Session

Commissioner Milcarek, seconded by Commissioner Urban, moved to amend the City Commission's annual meeting schedule to cancel the work session on Monday, February 27, 2017.

With a roll call vote this motion passed.

AYES: Commissioners Anderson, Knott, Milcarek, Sykes, Urban, Vice Mayor Cooney, Mayor Hopewell

NAYS: None

When an opportunity was given for general citizen comments, the following people addressed the City Commission:

Citizen Comments

Nehemiah Scudder, City resident, explained the origins of the political designations "left wing" and "right wing."

Jim Putman, non-resident, stated he had requested that Parsons Street be renamed in honor of Robert "Al" Goodwin, but some property owners did not support the request. Mr. Putman

Frank Warren, City resident, spoke about the benefits that came from labor unions.

Yasmin Fuentes, non-resident, thanked the City Commission for adopting a resolution in support of a Kalamazoo County ID Program.

City Commissioner Comments

Next, an opportunity was given for miscellaneous comments and concerns of City Commissioners.

Commissioner Milcarek thanked citizens for their activism.

Commissioner Urban explained that a house with a taxable value of $50,000 would see a tax reduction of approximately $350. Commissioner Urban encouraged people to donate to the Foundation for Excellence (FFE).

Commissioner Knott indicated there was a lot of confusion in the community about the assessment notices and tax reduction flyers.

Commissioner Sykes stated she was proud to be a resident of the City and a member of the City Commission.

Commissioner Anderson announced that Mayor Hopewell was at the vigil for victims of the Uber shooting and that he supported the resolutions that had been adopted earlier in the meeting. Commissioner Anderson remarked on the complexity of property tax calculations and explained the property tax reduction was for the City operating millage only and not other taxes that were levied, like county and school taxes. Commissioner Anderson encouraged people to donate to the FFE.

Vice Mayor Cooney remarked on the one-year anniversary of the Uber shootings and spoke in support of common sense gun regulations.

Adjournment

The meeting adjourned at 8:01 p.m.

Respectfully submitted,

Scott A. Borling
City Clerk

For City Commission approval on March 6, 2017

Approved by: _____
Bobby J. Hopewell, Mayor
Dated: March 6, 2017

This page was left blank intentionally.

Commission Agenda Report

City of Kalamazoo

TO: Mayor Hopewell, Vice Mayor Cooney, and City Commissioners

FROM: James K. Ritsema, ICMA-CM, City Manager

REVIEWED BY: Laura Lam, Director, CP&D

PREPARED BY: Dorla Bonner, Community Development Manager

DATE: 2/20/2017

SUBJECT: Resolution Supporting the Kalamazoo Prisoner ReEntry Coalition

RECOMMENDATION

It is recommended that the City Commission adopt a resolution supporting the creation of the Kalamazoo Prisoner ReEntry Coalition.

BACKGROUND

Shared Prosperity Kalamazoo (SPK) is a community collaborative initiated by the Kalamazoo City Commission to promote increased access to well-paying jobs; strong and economically secure families; and healthy growth, development and learning for all our kids. SPK is led by a core team comprised of the Mayor, Vice Mayor, City staff, representatives from Michigan Works!, and Western Michigan University faculty and students. This group has convened employers, human resource professionals, workforce development agencies, and community members to better understand challenges related to poverty in Kalamazoo and to explore and inspire opportunities to increase shared prosperity. The SPK Core Team has identified prisoner re-entry as a focus area and supports this resolution and the opportunity to work towards providing enhanced services for returnees that have a proven impact on reducing crime and recidivism.

The United Way's Asset Limited, Income Constrained, Employed (ALICE) Report emphasizes the nexus between poverty and incarceration. Some jurisdictions, Southeastern Louisiana for example, are using the ALICE Report to guide their actions and philanthropy through the United Way and private foundations.

When considering system-wide improvements to address mass incarceration and poverty, Michigan's historic accomplishments are notable and important to the City of Kalamazoo, which has been quite fully engaged in improving prisoner reentry in the past. The evidence-based, collaborative, community-engaged framework of the *Michigan Prisoner ReEntry Initiative* (MPRI) led to its unprecedented success. Michigan achieved the largest drop in recidivism of former prisoners in the United States:

- An overall 18% reduction in returns to prison between 2005 and 2007 and a 28% reduction in returns to prison between 2000 and 2008 (Council of State Governments' Justice Center, States Report Reductions in Recidivism; 2012);
- A recidivism improvement of 38% for returning citizens (The MPRI, A Success Story; Michigan Department of Corrections; 2013);
- The steepest reduction of a prison population in the shortest period of time of any state in the nation:

Michigan's prison population declined over 12% in three years and 17% in five years.
- Michigan's accomplishments with MPRI represent the most massive decarceration effort in our country's history. By 2012 the state led the nation in closing 21 prisons, saving nearly $350 million annually while keeping the crime rate down. (Washington Monthly, November/December 2010*, Prison Break: How Michigan managed to empty its penitentiaries while lowering its crime rate*).

However, a shift in focus away from local control in Michigan and a reduction in resources committed to the effort over the past few years has slowed further progress and may even be threatening to erode the gains achieved. Evidence is pointing to reduced effectiveness of prisoner reentry.

An assessment by the *Council of State Government's* showed that as of 2011—the beginning of the end of MDOC's utilization of the full community-based MPRI Model—the re-arrest rate of parolees began to increase – from a low in 2010 of 22% (down from 30% when the MPRI was being implemented in 2008) to 24% in 2011. And a more recent examination of parolee returns to prison is documented in a 2016 MDOC Legislative Report on prison population projections. The report indicates an increase in "*parole violation technical returns*" in 2015 compared to 2014 but without any explicit data to show if it is a trend. It also includes a projected increase in the prison population from about 42,000 to 44,000.

Community ownership and engagement is the key to continued prisoner reentry success, and further advances can double down on the achievements realized so far. With the individual support of city leaders and former prisoner advocates, the Kalamazoo Prisoner Reentry Coalition is being formed and calling for a rejuvenation of the MPRI by codifying the MPRI Model into law and by restoring the commitment to and capacity of the state/local partnership to expand upon the post-prison successes of Michigan's returning citizens.

The **VISION** of the Michigan Prisoner ReEntry Association is that every citizen released from prison will have the tools needed to succeed in the community.

The **MISSION** of the Michigan Prisoner ReEntry Association is to reduce crime by implementing a seamless plan of services and supervision developed with each offender—delivered through state and local collaboration—from the time of their entry to prison through their transition, reintegration, and aftercare in the community.

The **GOALS** of the Michigan Prisoner ReEntry Association are to:

- **Promote public safety** by reducing the return to prison rates of formerly incarcerated people.
- **Increase success rates** of returning citizens through effective support and accountability, evidence-based services, and community engagement.
- **Provide training and career development** so that our members can successfully implement evidence-based practices to improve transition planning and case management.
- **Advocate for sound, evidence-based policies and practices** to be utilized by corrections and treatment agencies in Michigan.
- **Champion the full implementation and evaluation of the Michigan Prisoner Reentry Model** that has a proven success record built on evidence-based principles and community engagement.
- Provide **a forum for reentry leaders to network, collaborate and advocate** for evidence-based principles to guide the Michigan prisoner reentry movement.

COMMUNITY RESOURCES CONSULTED

The following organizations have been consulted and are partnering with this initiative: Western Michigan University, Michigan Works!, the Urban Alliance, Seasons of Change Church in the Edison Neighborhood, Michigan United, the Michigan Council on Crime and Delinquency, Center for Justice Innovation, and the Michigan Collaborative to End Mass Incarceration.

FISCAL IMPACT

There are no budgetary impacts to approving the resolution.

ALTERNATIVES

The City Commission may choose to not approve the resolution.

ATTACHMENTS:

Type	Description
Resolution	Supporting the Creation of the Kalamazoo Prisoner ReEntry Coalition
Resolution	Michigan Prisoner ReEntry Initiative Attachments

CITY OF KALAMAZOO, MICHIGAN

RESOLUTION NO. _____

A RESOLUTION SUPPORTING THE FORMATION OF THE KALAMAZOO PRISONER REENTRY COALITION

Minutes of a regular meeting of the City Commission of the City held on_____, at or after 7:00 p.m., local time, at City Hall.

PRESENT: Commissioners:

ABSENT: Commissioners:

WHEREAS, the number of persons confined to prison is growing at an alarming rate that cannot be sustained;

WHEREAS, persons are confined to jails at an even more staggering rate, and money is now the most important factor in determining whether someone is held in jail while their case is pending;

WHEREAS, mass incarceration takes a significant toll on the families of those who are confined to prison or jail;

WHEREAS, mass incarceration disproportionately affects African Americans and Hispanics;

WHEREAS, the criminalization of youth behavior and the school-to-prison pipeline continue to feed juveniles into the criminal justice system;

WHEREAS, the rate of mental illness is disproportionately high among the incarcerated;

WHEREAS, the average length of stay in both prisons and jails has increased markedly over time and resulted in significant costs;

WHEREAS, an objective and transparent parole process will ensure that prisoners eligible for release receive a fair opportunity to reenter the community;

WHEREAS, substance abuse is prevalent among the incarcerated and prison-based drug treatment has shown success in reducing the drug use and criminal activity, especially when coupled with aftercare treatment in the community;

WHEREAS, employers report that job applicants who have been arrested, jailed, imprisoned or paroled have the lowest chances of being hired;

WHEREAS, access to education programming and productive activities will improve reentry outcomes;

WHEREAS, reentry outcomes will be improved if returning individuals have access to adequate housing;

WHEREAS, in prison visitation and communication with family and friends helps to build a network of support to the incarcerated;

WHEREAS, recidivism rates can be reduced by investing in research-driven, evidence based programs and implementing effective community engagement and supervision policies and practices.

NOW, THEREFORE, BE IT RESOLVED, that the Kalamazoo City Commission supports the creation of the Kalamazoo Prisoner ReEntry Coalition, which has as its overall goal a 50% reduction in the return-to-prison rate for persons released from State prison, through a rededication to the *Michigan Prisoner Reentry Initiative Model* which includes full community engagement and community funding control.

BE IT FURTHER RESOLVED, in order to correct prevailing misconceptions about incarceration and its detrimental effect on children, families and communities, while promoting a theory of justice founded in restoration, rehabilitation and redemption, and an understanding that the child welfare and juvenile systems contribute greatly to adult incarceration, the Coalition is dedicated to public education that promotes a safe, fair and cost effective justice system.

BE IT FURTHER RESOLVED, in order to spur investment in neighborhoods most affected by crime and imprisonment; increase the capacity for children and families in those neighborhoods to thrive, and to provide enhanced and expanded services that have a proven impact on crime and recidivism, the Coalition will promote fiscal policies that reinvest savings resulting from improvements in the justice system into those communities and neighborhoods most effected by crime and imprisonment, particularly low-income and communities of color.

BE IT FURTHER RESOLVED, in order for the City to develop annual comprehensive prisoner plans, the state is asked to provide beginning in 2017 annual demographic and prisoner population characteristics data to the City as previously provided under the *Michigan Prisoner ReEntry Initiative* (See Attached).

BE IT FURTHER RESOLVED, in order to develop highly specific, Individualized Transition Accountability Plans for Kalamazoo's returning citizens, the state is asked to provide detailed information on each prisoner returning to Kalamazoo six months prior to release and to provide access to the prisoner so that he/she is engaged in the development of their reentry plan as was previously the case under the *Michigan Prisoner Reentry Initiative* (See Attached).

The above resolution was offered by _____and supported by _____.

AYES: Commissioners:

NAYS: Commissioners:

ABSTAIN: Commissioners:

RESOLUTION DECLARED ADOPTED.

CERTIFICATE

The forgoing is a true and complete copy of a resolution adopted by the City Commission of the City of Kalamazoo at a regular meeting held on_____. Public notice was given and the meeting was conducted in full compliant with the Michigan Open Meetings Act (PA 267,1976). Minutes of the meeting will be available as required by the Act.

_____
Scott A. Borling, City Clerk

Michigan Department of Corrections

2010 Demographics - Kalamazoo MPRI Site

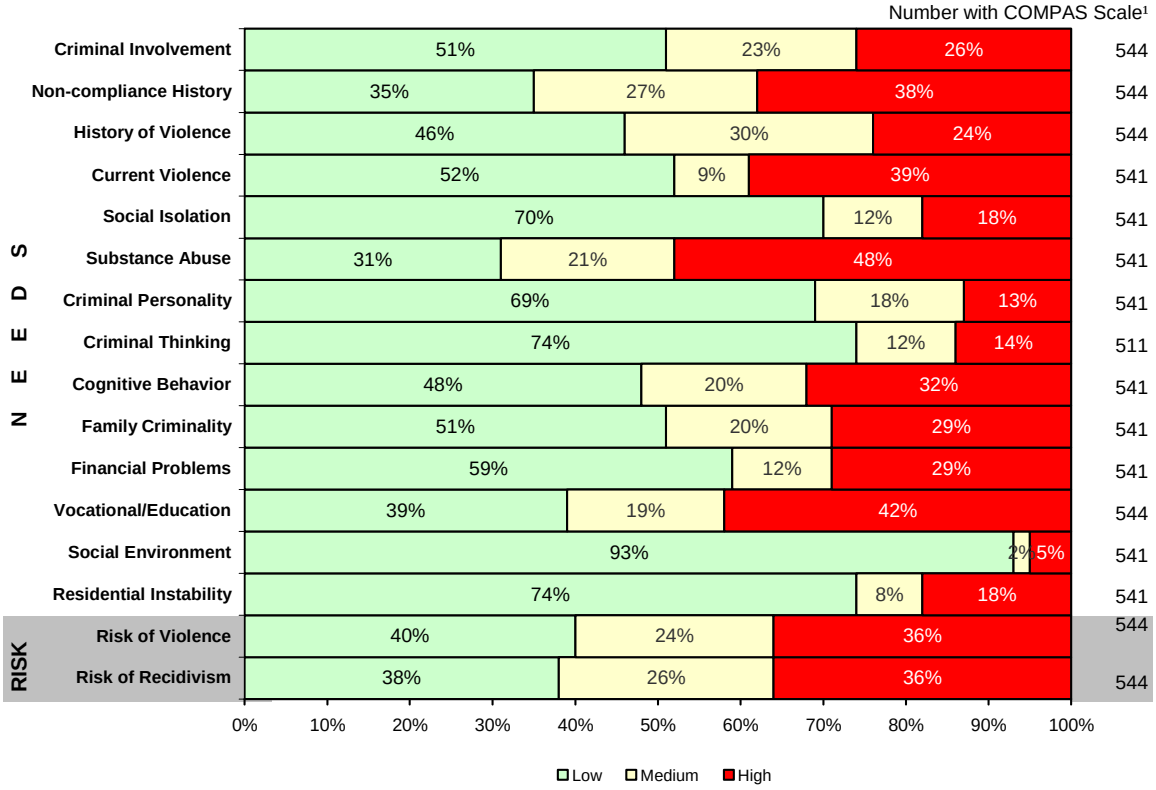
Demographics		
Population estimate (May 13, 2011)		311,116
Percent Living Below Poverty Level (2009)		18.4%
Unemployment Rate (March 2011 - Not Seasonally Adjusted)		9.1%
UCR Crime Data		
Total Crimes/1,000 (2006)		140.1
Index Crimes/1,000 (2006)		43.7
Prison Intake (July 1, 2009 - June 30, 2010)		
Total Prison Intake		**178**
Parole Violator New Sentence (PVNS)		46
Parole Technical Violator Returned (PVT)		107
Estimated Number PV Tech with New Criminal Activity		80
Parole Failures in July 1, 2009 to June 30, 2010 (PVNS + PVT)		153
Characteristics of Parole Population		
Number Paroled in July 1, 2009 to June 30, 2010		477
B or Higher Prefix		38%
Drug Problem		72%
Alcohol Problem		64%
Drug & Alcohol Problem		58%
Substance Dependence (SASSI)		56%
Previous Mental Health Contacts		0%
Active Mental Health Diagnosis at Parole		16%
Less than GED or Diploma at Release		35%
Not Employed at time of crime		18%
Gender	Male:	94%
	Female:	6%
Offense Type (Most Serious)	Other Nonassaultive	30%
	Drug	26%
	Other Assaultive	24%
	CSC	19%
Percent with one or more prior Assaultive Prison Sentences		10%
Veteran		6%

Michigan Department of Corrections

Parolees: April 11, 2012

Kalamazoo Site (Number of Paroles = 624)

COMPAS Criminogenic Needs & Risks Profile



Residential Stability Need Scale by Parolee Offense History

Offense History²	Residential Stability Need Scale Low	Medium	High	Total
CSC	77	11	34	122
Drug	113	20	17	150
Other Assaultive	191	11	45	247
Other Non-Assaultive	73	10	17	100
TOTAL	454	52	113	619 [3]

SOURCE: April 11, 2012 CMIS and COMPAS (Reentry & Adult) databases