

Roll Call

The Kalamazoo City Commission met as a Committee of the Whole on Monday, August 21, 2023 at 5:01 p.m. in the City Commission Chambers at City Hall.

COMMISSIONERS PRESENT:

Mayor David Anderson
Vice Mayor Don Cooney
Qianna Decker
Jeanne Hess
Stephanie Hoffman
Esteven Juarez
Chris Praedel

COMMISSIONERS ABSENT:

None

Also present were Chief Operating Officer Laura Lam, City Attorney Aaron Leal, and City Clerk Scott Borling.

Public Comments

An opportunity was given for general public comments, but no comments were offered.

2023-33-01

Presentation re:
Neighborhood Enterprise
Zones Draft Policy

Community Planning and Economic Development Deputy Director Christina Anderson, Sustainable Development Coordinator Jamie McCarthy, and Housing Development Supervisor Sharilyn Parsons delivered a presentation entitled *Neighborhood Enterprise Zones (NEZ) Draft Policy: Committee of the Whole, August 21, 2023*. A copy of the slides from this presentation was filed with the papers for the meeting.

In response to questions and comments from City Commissioners, Deputy Director Anderson and Housing Development Supervisor Parsons provided the following information:

- the Area Median Income (AMI) for Kalamazoo County was \$92,000 for a family of four and \$47,000 for one person.
- the proposed NEZ would promote mixed-income development; it is patterned off the Kalamazoo County housing plan.
- an individual could build a house on a vacant lot (new construction) and receive an NEZ certificate; that certificate would be transferable to another owner.
- staff is aware of new funding available from the US Department of Housing and Urban Development to remove barriers to housing.
- the cap on NEZ's is 10,000 acres for single family housing unit developments and 10% of the City's land area for multi-unit developments. Whether the City has the staff capacity to administer NEZ's up to this cap will depend on the number and type of NEZ Certificates requested. The proposed NEZ policy will help streamline the process.
- staff is expecting more NEZ requests over the next year, in addition to the request being considered during the Business Meeting.
- for Homestead NEZ's, the sponsoring organization would be responsible for making eligible property owners aware of the NEZ application process. For

non-homestead NEZ's the City will do outreach, such as hosting development workshops.

- Housing Development Supervisor Parsons is part of a regional task force working with the Michigan State Housing Development Authority (MSHDA) on goals and priorities for the state housing plan.
- discussions with the proposed NEZ project developer were beneficial, especially in helping staff understand overall development costs. Staff is comfortable with the amount of discussion that has taken place with the developer.
- if a proposed development site is not close to non-motorized infrastructure, the developer will have other options for maximizing their NEZ benefit – reducing parking is only one option.
- neighborhood associations were not the only organizations that could be supporting organizations for Homestead NEZ's; other community and housing organizations could play this role. The policy lays out the tasks for supporting organizations. It is doubtful the City will do any more entire-neighborhood NEZ's.
- at least 10 parcels are required for a Homestead NEZ. There is probably a "sweet spot" in terms of the number of parcels/housing units. This would be discussed with the developer in a project meeting.
- the Building Blocks organization was a good candidate to be a Homestead NEZ supporting organization; there could be a great synergy.
- it was possible for NEZ's to be combined with CDBG funds.
- a developer must apply for an NEZ certificate before they start their project.
- the proposed policy represents the best work of staff at this point; the only way to test the policy is to implement and use it.
- the proposed policy rewards the development of particular housing types because the City has an overabundance of single-family, detached housing while missing other housing types. Making "housing type" one of the NEZ criteria is designed to address this imbalance.
- the City will use annual monitoring of application and certificate activity to determine when the Vine Neighborhood NEZ should be sunset.

Commissioner Decker expressed support for incentives that reduced parking, as this provision aligned with the City's walkability goals. Commissioner Decker offered remarks on the need for the City's policies and development tools to work well with each other, and she recommended a review of all housing-related policies. Commissioner Decker stated businesses were looking at the City's infrastructure, including workforce housing, when considering locating or expanding in Kalamazoo.

Commissioner Praedel expressed pride in the City's work and noted the state highlighted Kalamazoo as a city that was doing housing well.

2023-33-01

Presentation re:
Neighborhood Enterprise
Zones Draft Policy
(cont'd)

Commissioner
Comments

An opportunity was given for general comments from City Commissioners, but no comments were offered.

Adjournment

The meeting adjourned at 6:26 p.m.

Scott A. Borling
City Clerk

Approved by the City Commission on: _____

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