



Agenda

City Commission Business Meeting

City of Kalamazoo

Monday, March 2, 2020

7:00 PM

City Commission Chambers – 241 West South Street

A. CALL TO ORDER/ROLL CALL

B. OPENING CEREMONY

1. Invocation: Reverend David W. Zomer, Bethany Reformed Church
2. Pledge of Allegiance
3. Introduction of Guests/Presentations
 - a. Presentation re: Kalamazoo Attainable Housing Partnership
4. Proclamations
 - a. March for Meals Month

C. ADOPTION OF FORMAL AGENDA

D. COMMUNICATIONS

1. Calendar of Upcoming Meetings

E. PUBLIC HEARINGS

F. CONSENT AGENDA

(Action: Motion to approve items “1-13”, postpone item “14” until March 16, 2020, and authorize the City Manager to sign all documents on behalf of the City)

1. Approval of the purchase of a 60' articulating aerial truck from Altec industries Inc. of Creedmoor, NC through the MIDEAL cooperative purchasing program in the amount of \$169,393.
2. Approval of a professional service agreement and subsequent purchase order with Jones & Henry Engineers for the 33rd Street Water Main Project, in the amount of \$268,500.
3. Approval of a contract with Hoffman Bros., Inc. for the Stockbridge Water Main CIPP Lining Project, in the amount of \$171,978.
4. Approval of a professional service agreement with The Foster Group in the amount of \$140,000 for preparation of the Water and Wastewater Utility Financial Plan, service agreement assistance, true-up and rate studies, and general consulting services.
5. Approval of a contract supplemental and subsequent change order with Big Truck Rental for rental of a packer truck in the amount of \$38,965.60.
6. Approval of a contract supplemental and change order with Activate Healthcare, LLC for the oversight of health clinic site improvements, in the amount of \$119,484.00; and approval of a budget amendment for the same amount.
Bid Ref# 946-48-005.0
7. Approval of the purchase of two (2) new John Deere 310SL HL backhoes with buckets, hydraulic breakers and compactors and one (1) John Deere 544L Wheel Loader from AIS Construction Equipment in the amount of \$423,200.
8. Approval of a one-year contract with Earth Works Lawn and Landscape for the 2020 property maintenance services in the amount of \$116,350.
Bid Ref# 98852-058.0
9. Adoption of a Notice of Intent RESOLUTION for the issuance of 2020 Capital Improvement Bonds in an amount not to exceed eleven million seven hundred fifty thousand dollars (\$11,750,000).
10. Adoption of a Notice of Intent RESOLUTION for the issuance of 2020 Water Supply System Revenue Bonds in an amount not to exceed forty-five million five hundred thousand dollars (\$45,500,000).

11. Adoption of a Notice of Intent RESOLUTION for 2020 Wastewater System Revenue Bonds in an amount not to exceed eleven million dollars (\$11,000,000).
12. Approval of the release of the 2020 Draft Action Plan for a 30-day public comment period beginning on March 6, 2020, as required by the U.S. Department of Housing and Urban Development.
13. Approval of Fiscal year 2019 budget amendments resulting in the following net impacts: a decrease in the General Fund Budget by \$149,000; an increase in the Capital Improvement Budget by \$213,000; and an increase in the Water Fund Budget by \$1,730,000.
14. Acceptance of 11 tax-foreclosed properties from the Kalamazoo County Treasurer. *(Postpone until March 16, 2020)*

G. REGULAR AGENDA

H. REPORTS AND LEGISLATION

1. City Manager's Report

I. UNFINISHED BUSINESS

J. POLICY ITEMS

K. NEW BUSINESS

L. CITIZEN COMMENTS

M. COMMISSIONER COMMENTS

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.



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 16th and April 6th

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

March 16th

Advisory Boards, Commissions and Committees (next two weeks)

The **Tree Committee** will meet on Tuesday, March 3, 2020 at 2:00 p.m., in the Public Services Conference Room, located at 415 Stockbridge Avenue.

The **Parks and Recreation Advisory Board** will meet on Tuesday, March 3, 2020 at 5:30 p.m., in the Parks and Recreation Community Room at Mayors' Riverfront Park, located at 251 Mills Street.

The **Employee Retirement System Board of Trustees** will meet on Wednesday, March 4, 2020 at 8:00 a.m., in the Third Floor Conference Room at City Hall.

The **Planning Commission** will meet on Thursday, March 5, 2020 at 7:00 p.m., in the City Commission Chambers at City Hall.

The **Natural Features Protection Review Board** will meet on Tuesday, March 10, 2020 at 4:00 p.m., in the Community Room at City Hall.

The **Citizen-Public Safety Review and Appeals Board** will meet on Tuesday, March 10, 2020 at 6:00 p.m., in the Parks and Recreation Community Room at Mayors' Riverfront Park, located at 251 Mills Street.

The **Kalamazoo Historic Preservation Commission** will meet on Wednesday, March 11, 2020 at 6:00 p.m., in the Community Room at City Hall. The meeting is delayed one day from their usual second Tuesday meeting because of the Presidential Primary election.

The **Traffic Board** will meet on Thursday, March 12, 2020 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 12, 2020 at 6:30 p.m., in the Community Room at City Hall.

The **Zoning Board of Appeals** will meet on Thursday, March 12, 2020 at 7:00 p.m., in the in the City Commission Chambers at City Hall.

The **Downtown Development Authority Board** will meet on Monday, March 16, 2020 at 3:00 p.m., in the Community Room at City Hall. The **Downtown Economic Growth Authority Board** will meet immediately following.



City Commission Agenda Report

City of Kalamazoo

Date: **3/2/2020**

Item: **F.1.**

TO: Mayor Anderson, Vice Mayor Griffin, and City Commissioners

FROM: James K. Ritsema, City Manager
Reviewed by: James J. Baker, PE, Public Services Director & City Engineer
Prepared by: Gary Doorlag, City Fleet Manager

DATE: March 2, 2020

SUBJECT: Purchase of a 60' Aerial truck from Altec Industries through MiDEAL
(071B7700167) Bid Ref#00000-019.34

RECOMMENDATION:

It is recommended that the City Commission approve the purchase of a 60' articulating aerial truck from Altec industries Inc. of Creedmoor, NC through MIDEAL in the amount of \$169,393.

BACKGROUND:

The City of Kalamazoo Public Services Public Works/Forestry Division would utilize this truck for tree trimming and removal. This truck is a badly needed replacement for the current truck that is nineteen years old and in poor condition. Quotes for this purchase were obtained through Michigan MiDeal Contract #071B7700167.

STRATEGIC VISION ALIGNMENT:

Relevant Priority Based Budgeting Program (program name and description):

City-wide Vehicle & Equipment Procurement

Strategic Goal Impact:

Work with City departments requiring vehicles and equipment. Research, prepare and review all specifications for bid, draft commission and procurement memos for all department with the exception of Public Safety

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement
Internal

Discussion:

Engagement/Communication Tools

FISCAL IMPACT:

Funds have been budgeted for this expenditure in the Capital Improvement Fund's 2020 adopted budget in project #cip0600039 Fleet Heavy Equipment.



City Commission Agenda Report

City of Kalamazoo

Date: **3/2/2020**

Item: **F.2.**

TO: Mayor Anderson, Vice Mayor Griffin, and City Commissioners

FROM: James K. Ritsema, City Manager
Reviewed by: James J. Baker, PE, Public Services Director & City Engineer
Prepared by: Anna C. Crandall, EIT, Senior Civil Engineer – Water Resources

DATE: March 2, 2020

SUBJECT: Professional Service Agreement with Jones & Henry Engineers for 33rd Street Water Main Design Bid Ref# 906-29-017.1.2

RECOMMENDATION:

It is recommended that the City Commission approve a Professional Service Agreement and subsequent purchase order with Jones & Henry Engineers for the 33rd Street Water Main Project, in the amount of \$268,500.00.

BACKGROUND:

The City of Kalamazoo identified the design of the 33rd Street Water Main Project as a priority for 2020. The scope of this project is the design of approximately 3-miles of 16-inch water main on 33rd Street from East Michigan Avenue to East G Avenue. This water main installation will combine the High Pressure District and the East Side High Pressure District. Combining these two pressure districts will provide for system redundancy and increased reliability. Public Services reached out to Jones & Henry Engineers to provide a quote for professional design services. Jones & Henry Engineers provided a quote of \$268,500.00 for this design work. Public Services finds this quote acceptable and recommends approval of this purchase order.

STRATEGIC VISION ALIGNMENT:

Relevant Priority Based Budgeting Program (program name and description):

New Water Distribution, Supply, and Treatment Construction Engineering
Reviews plans for water system expansion. Designs and oversees the construction of new water distribution system

Strategic Goal Impact:
Safe Community

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

Discussion:
Inform

Engagement/Communication Tools

FISCAL IMPACT:

Funds for this contract are available in the Water Fund Capital Improvement Program 2020 adopted budget in project# wat0500351 33rd Street Water Main.

2020 Water Capital Improvement Budget

wat0500351 \$268,500.00
\$268,500.00

Costs:

2020 Design \$268,500.00
\$268,500.00



City Commission Agenda Report

City of Kalamazoo

Date: **3/2/2020**

Item: **F.3.**

TO: Mayor Anderson, Vice Mayor Griffin, and City Commissioners

FROM: James K. Ritsema, City Manager
Reviewed by: James J. Baker, PE, Public Services Director & City Engineer
Prepared by: Eric T. Sajtar, P.E., Senior Civil Engineer

DATE: March 2, 2020

SUBJECT: Approval of a Contract with Hoffman Bros., Inc. for the Stockbridge Water Main CIPP Lining Project (Bid Ref#91389-001.0)

RECOMMENDATION:

It is recommended that City Commission approve a contract with Hoffman Bros., Inc. for the Stockbridge Water Main CIPP Lining Project, in the amount of \$171,978.

BACKGROUND:

The City of Kalamazoo identified the Stockbridge Water Main CIPP Lining Project as a priority for the 2020 construction season. The subject water main is located at the intersection of E. Stockbridge Avenue and Portage Creek in Kalamazoo, Michigan. The section of water main to be lined is suspended beneath a bridge and extends beneath railroad tracks that are located east of Portage Creek. During the winter of 2019, this section of water main failed and was taken out of service, thereby reducing the reliability of the water distribution system in this area. The City determined that repairing the water main using CIPP lining is the best option for recommissioning this section of water main. This project will reinstate the reliability of the water distribution system in this area.

Bids were opened for the project on February 4, 2020. One bid was received with Hoffman Bros., Inc. being the low responsive bidder. Public Services recommends the approval of this contract.

STRATEGIC VISION ALIGNMENT:

Relevant Priority Based Budgeting Program (program name and description):

Water Distribution System Operation and Maintenance

Strategic Goal Impact:

Safe Community- Creating a safe environment for living, working, and playing

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

Inform

Discussion:

Engagement/Communication Tools

Water Resources has been working with EGLE on this project. Impacted residents will be notified prior to construction via media release regarding traffic detours.

FISCAL IMPACT:

The funding for the project is available in the City's 2020 Water Fund Capital Improvement Budget in project#wat0500356 Stockbridge Bride Water Main.

Project funding and estimated costs are as follows:

Funding:

Wat0500356	\$500,000.00
	\$500,000.00

Costs:

Construction Services	\$171,978.00
	\$171,978.00

BID RESULTS SUMMARY

PROJECT: Water Main CIPP Lining -
Stockbridge Ave. and Portage Creek

DATE: February 6, 2020

BIDDERS SOLICITED: 72

BIDDERS RESPONDED: 1

MBE/WBE BIDS SOLICITED: 10

MBE/WBE BIDDERS RESPONDED: 0

BID REFERENCE NO: 91389-001.0

MBE/WBE AWARDED: No

ISSUE DATE: January 3, 2020

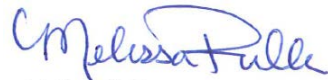
BID OPENING: February 4, 2020

APPROVAL REQUIRED: City Commission

FUNDED BY: City

<u>BIDDERS</u>	<u>AMOUNT BID</u>	<u>LOCATION</u>
Hoffman Bros., Inc.	\$171,978.00	Battle Creek, MI

Purchasing procedures have been followed and City Attorney has reviewed as to form.



Melissa Fuller
*Deputy Director of Mgmt Services/
Purchasing Agent*



City Commission Agenda Report

City of Kalamazoo

Date: **3/2/2020**

Item: **F.4.**

TO: Mayor Anderson, Vice Mayor Griffin, and City Commissioners

FROM: James K. Ritsema, City Manager
Reviewed by: James J. Baker, PE, Public Services Director & City Engineer
Prepared by: James H. Cornell, Wastewater Division Manager

DATE: March 2, 2020

SUBJECT: The Foster Group Consulting Services for Water and Wastewater Utilities (Bid Ref# 00000-020.20)

RECOMMENDATION:

It is recommended that the Commission approve a professional service agreement with The Foster Group of Leawood, Kansas, in the amount of \$140,000.

BACKGROUND:

A contract for rate and management services with The Foster Group provides continuity for projects already under consideration and retains the knowledge and experience of a 25+ years professional relationship with the City and representatives of customer communities.

There are four major areas where consulting services will be needed:

First, The Foster Group will conduct "True-Up" study of 2017, 2018, and 2019 wastewater rates. This may also include "True-Up" studies of the Water utility as well. The wastewater rates will include facets of the 1998 Rate Settlement Agreement. This agreement requires an analysis of actual Wastewater revenues and expenses (a "True-Up" study) be done every two years for each fiscal year. Rates are established on a prospective basis, so actual revenues and expenses will vary from estimates. The true-up studies, and the implementation of their results, ensure that outside city users pay the precise rate of return.

Second, The Foster Group will conduct Water & Wastewater rate studies and recommend schedules of water and wastewater rates to be implemented during 2021. They will participate in stakeholder discussion regarding potential modifications to the manner in which levels of service are measured for (and costs allocated to) the various customer classes of the water and wastewater utilities. In addition, revisions are needed within the City's Utility Financial Plan originally developed in 1995. Mr. Foster's assistance in these areas is essential.

Third, The Foster Group will provide general assistance and will function as the technical advisor in the Utility Advisory Board and Regional Commission processes. They will provide expertise on rate related issues.

Fourth, given the Foster Group's long tenure with the City and their broad knowledge of rate methodologies, the City's Utility Financial Plan, Water and Wastewater assets and access to Water and Wastewater rate related/non-related files they are able to provide expert services as it attempts to resolve current disputes with outside City customers.

STRATEGIC VISION ALIGNMENT:

Relevant Priority Based Budgeting Program (program name and description):

Water/Wastewater Rate Administration

Strategic Goal Impact:

Request, Administer, contract consultant, collate data and approve Water/Wastewater customer class rates inside the city and outside the city.

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

Internal

Discussion:

Engagement/Communication Tools

FISCAL IMPACT:

The budget for this contract is included in the 2020 Adopted Budgets of the Wastewater Fund Operations, Water Fund Operations, and Insurance Fund General Insurance.

The allocation to those funds are as follows:

Wastewater: 590-531-01-100-845.001 \$55,000 (True-up Studies, Rate Studies, and General Assistance)

Water: 591-551-01-100-845.001 \$35,000 (Rate Studies and General Assistance)

Insurance: 677-191-01-000-845.001 \$50,000 (Expert Witness and Negotiations)



City Commission Agenda Report

City of Kalamazoo

Date: **3/2/2020**

Item: **F.5.**

TO: Mayor Anderson, Vice Mayor Griffin, and City Commissioners

FROM: James K. Ritsema, City Manager
Reviewed by: James J. Baker, PE, Public Services Director & City Engineer
Prepared by: Anthony Ladd, PE, Acting Public Works Division Manager

DATE: March 2, 2020

SUBJECT: Contract Supplemental and Subsequent Change Order– Packer Truck Rental
(Bid Ref# 97586-003.0)

RECOMMENDATION:

It is recommended that City Commission approve a contract supplemental and subsequent change order with Big Truck Rental for rental of a packer truck in the amount of \$38,965.60.

BACKGROUND:

In 2019, the City solicited bids for packer truck rental. Big Truck Rental was awarded the contract. Weather conditions led to a majority of leaves falling later than anticipated. Coupled with several winter events, there was a need to extend the amount of time the trucks were needed. This extension allowed for Public Works to make two full collection cycles and ensure that all residents had been served.

STRATEGIC VISION ALIGNMENT:

Relevant Priority Based Budgeting Program (program name and description):

Leaf Pick Up - Coordinate program with Field Services, various contractors and residents. Determine dates and zones for removal. Log complaints of misses and damages.

Strategic Goal Impact:
Community

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement
Internal

Discussion:

Engagement/Communication Tools

FISCAL IMPACT:

Funds are available within the 2020 Adopted Solid Waste fund budget, code 226-528-21-512-880.004.



City Commission Agenda Report

City of Kalamazoo

Date: **3/2/2020**

Item: **F.6.**

TO: Mayor Anderson, Vice Mayor Griffin, and City Commissioners

FROM: James K. Ritsema, City Manager
Prepared by: Steve Vicenzi, Management Services Director / CFO

DATE: March 2, 2020

SUBJECT: Approval of Contract Supplemental and Change Order for Activate Healthcare
Bid Ref #946-48-005.0

RECOMMENDATION:

It is recommended that the City Commission approve a contract supplemental and change order with Activate Healthcare, LLC for the oversight of health clinic site improvements, in the amount of \$119,484.00, and approve a budget amendment for the same amount.

BACKGROUND:

In August 2019 the City Commission approved a contract with Activate Healthcare to operate an employee health clinic. Activate and City staff have been working with the general contractor and landlord through the build out of the clinic. Staff have tracked a number changes to the construction of the site including additional temporary heat and power, floor leveling, meter installation costs, and work assumed by Activate originally intended to be completed under a separate scope of work with the landlord including demising walls, modifications to the sprinkler system, and HVAC extensions.

STRATEGIC VISION ALIGNMENT:

Strategic Goal Impact:



Good Governance- Ensuring the City organization has the capacity and resources to effectively implement the community's Strategic Vision in a way that is sustainable over the long term.

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

Inform (one-way conversation) – no feasible alternatives available due to legal/regulatory restrictions, standards and best practices, or resource limitations; the community will be made aware of the project.

FISCAL IMPACT:

Additional funding will come from the Insurance Fund, which will see future reduced insurance costs from clinic operations.



City Commission Agenda Report

City of Kalamazoo

Date: **3/2/2020**

Item: **F.7.**

TO: Mayor Anderson, Vice Mayor Griffin, and City Commissioners

FROM: James K. Ritsema, City Manager
Reviewed by: James J. Baker, PE, Public Services Director & City Engineer
Prepared by: Gary Doorlag, Fleet Manager

DATE: March 2, 2020

SUBJECT: Cooperative purchase through MIEDAL of Two (2) John Deere 310SL HL Backhoes and One (1) John Deere 544L Wheel Loader
Bid Ref# 000-00-017.17

RECOMMENDATION:

It is recommended City Commission approve a cooperative MIDEAL purchase of two (2) new John Deere 310SL HL backhoes with buckets, hydraulic breakers and compactors and one (1) John Deere 544L Wheel Loader from AIS Construction Equipment in the amount of \$423,200. Bid Ref# 000-00-017.17

BACKGROUND:

The Public Services Water Division would utilize one of these backhoes and the second would be utilized by the Public Works Street and Concrete crews. The wheel loader would be utilized in the Streets and Forestry Division. Two backhoes and one loader will be traded in for a total credit of \$41,000.00 that is reflected in the state contract quote number 071B770090.

STRATEGIC VISION ALIGNMENT:

Relevant Priority Based Budgeting Program (program name and description):

City-wide Vehicle & Equipment Procurement

Work with City departments requiring vehicles and equipment. Research, prepare and review all specifications for bid, draft commission and procurement memos for all department with the exception of Public Safety.

Strategic Goal Impact:

Governance

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

Discussion:
Internal

Engagement/Communication Tools

FISCAL IMPACT:

Funds have been budgeted for this expenditure in the 2020 General Capital Improvement Projects Fund (CIP) and Water Fund Capital Outlay budgets. The breakdown of funding is as follows:

CIP project# cip0600039 Fleet Heavy Equipment \$287,717
Water Account# 591-640-00-000-977.000 Vehicular Equipment \$135,483



City Commission Agenda Report

City of Kalamazoo

Date: **3/2/2020**

Item: **F.8.**

TO: Mayor Anderson, Vice Mayor Griffin, and City Commissioners

FROM: James K. Ritsema, City Manager
Reviewed by: James J. Baker, PE, Public Services Director & City Engineer
Prepared by: Wendy Burlingham, Administrative Support Manager

DATE: March 2, 2020

SUBJECT: 2020 Property Maintenance Contract Bid Ref#98852-058.0

RECOMMENDATION:

It is recommended that the City Commission approve a contract with Earth Works Lawn and Landscape for the 2020 Property Maintenance of thirteen and twenty six frequency services in the amount of \$116,350.

BACKGROUND:

In January 2020, the City's Purchasing Division solicited bids for mowing services on City owned properties and right of ways. Previous years mowing contracts included six frequency mowing services, however in 2019 the City changed its ordinance for tall weeds and nuisance violations from ten to eight inches. This change put properties that were serviced six times a season in violation of City ordinance. All six frequency properties have been switched to thirteen frequency.

Bids were opened on February 6, 2020. Earth Works was the only bidder for this service and frequency. Earth Works Lawn and Landscape has held various mowing contracts with the City since 2017 and staff are pleased with their level of service.

STRATEGIC VISION ALIGNMENT:

Relevant Priority Based Budgeting Program (program name and description):

Grounds, Site and Irrigation Maintenance

Strategic Goal Impact:

Governance – Creating a safe environment for living, working, and playing.

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

Discussion:
Internal

Engagement/Communication Tools

FISCAL IMPACT:

Funds for these services have been allocated within the specific Division's budget and should be distributed as follows:

Thirteen Frequency Service:

\$31,650.37 Water 591-561-01-540-845.001

\$30,554.63 Brownfield/General Fund 101-441-00-000-845.001

Twenty-Six Frequency Service:

\$24,473.44 Water 591-561-01-540-845.001

\$20,254.24 Wastewater 590-543-01-506-845.001

\$9,417.32 Brownfield/General Fund 101-441-00-000-845.001

BID RESULTS SUMMARY

PROJECT: 13, 26 Frequency & Nuisance Mowing

DATE: February 24, 2020

BIDDERS SOLICITED: 63

BIDDERS RESPONDED: 1

MBE/WBE BIDS SOLICITED: 17

MBE/WBE BIDDERS RESPONDED: 0

BID REFERENCE NO: 98852-058.0

MBE/WBE AWARDED: 0

ISSUE DATE: January 9, 2020

BID OPENING: February 6, 2020

APPROVAL REQUIRED: City Commission

FUNDED BY: City

<u>BIDDERS</u>	<u>AMOUNT BID</u>	<u>LOCATION</u>
*Earth Works Lawn & Landscape	\$116,350.00	Portage, MI

* Bidder did not bid Section A: Nuisance Enforcement of this contract.

Purchasing procedures have been followed and City Attorney has reviewed as to form.



Melissa Fuller
*Deputy Director of Mgmt Services/
Purchasing Agent*



City Commission Agenda Report

City of Kalamazoo

Date: **3/2/2020**

Item: **F.9.**

TO: Mayor Anderson, Vice Mayor Griffin, and City Commissioners

FROM: James K. Ritsema, City Manager
Reviewed by: Steve Vicenzi, Management Services Director / CFO
Prepared by: Steve Vicenzi, Management Services Director / CFO

DATE: March 2, 2020

SUBJECT: Notice of Intent Resolution for 2020 Capital Improvement Bonds

RECOMMENDATION:

It is recommended that the City Commission adopt Notice of Intent Resolution for the issuance of 2020 Capital Improvement Bonds in an amount not to exceed eleven million seven hundred fifty thousand dollars (\$11,750,000).

BACKGROUND:

The Adopted FY 2020 Budget calls for certain capital improvements to be undertaken by debt for the purpose of paying all or part of the costs of certain public improvements in the City, including a) acquiring and constructing major street and local street improvements, including traffic signal upgrades; b) acquiring, constructing, furnishing and equipping public safety facilities improvements; c) acquiring and constructing parks and recreation improvements; d) acquiring information technology equipment; and e) acquiring public services and public safety equipment; including all related equipment, site improvements, appurtenances and attachments (the "Projects")

The adoption of these resolutions begins the process of issuing the debt. The resolution requires that a Notice of Intent to issue debt be published in the Kalamazoo Gazette. The Bonds can be issued without a vote of the City electors unless a petition is filed with the City Clerk within 45 days of publication of the notice with signatures from 10% of the electorate. Assuming the referendum period expires without referendum petitions being submitted, the City could sell the Bonds in April 2020.

STRATEGIC VISION ALIGNMENT:

Strategic Goal Impact:



Good Governance- Ensuring the City organization has the capacity and resources to effectively implement the community's Strategic Vision in a way that is sustainable over the long term.

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

Inform (one-way conversation) – no feasible alternatives available due to legal/regulatory restrictions, standards and best practices, or resource limitations; the community will be made aware of the project.

FISCAL IMPACT:

Funds for the above projects are included in the Adopted FY 2020 Budget.

**NOTICE OF INTENT RESOLUTION
2020 CAPITAL IMPROVEMENT BONDS**

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, held on the 2nd day of March, 2020, at 7:00 p.m., prevailing Eastern Time.

PRESENT: Commissioners _____

ABSENT: Commissioners _____

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

WHEREAS, the City of Kalamazoo, County of Kalamazoo, State of Michigan (the "City") intends to issue general obligation limited tax bonds pursuant to Act 34, Public Acts of Michigan, 2001, as amended ("Act 34"), in an aggregate principal amount of not to exceed Eleven Million Seven Hundred Fifty Thousand Dollars (\$11,750,000) (the "Bonds") for the purpose of paying all or part of the costs of certain public improvements in the City, including a) acquiring and constructing major street and local street improvements, including traffic signal upgrades; b) acquiring, constructing, furnishing and equipping public safety facilities improvements; c) acquiring and constructing parks and recreation improvements; d) acquiring information technology equipment; and e) acquiring public services and public safety equipment; including all related equipment, site improvements, appurtenances and attachments (the "Projects"); and

WHEREAS, a notice of intent to issue the Bonds must be published before the issuance of the Bonds in order to comply with the requirements of Section 517 of Act 34; and

WHEREAS, the City intends at this time to state its intentions to be reimbursed from proceeds of the Bonds for any expenditures undertaken by the City for the Projects prior to issuance of the Bonds.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City Clerk is authorized and directed to publish a notice of intent to issue bonds in the *Kalamazoo Gazette*, a newspaper of general circulation in the City.
2. The notice of intent shall be published as a display advertisement not less than one-quarter (1/4) page in size in substantially the form attached to this resolution as Exhibit A.
3. The City Commission does hereby determine that the foregoing form of Notice of Intent to Issue Bonds and the manner of publication directed is the method best calculated to give notice to the City's electors and taxpayers residing in the boundaries of the City of the City's intent to issue the Bonds, the maximum amount of the Bonds, the purpose of the Bonds, the

source of payment for the Bonds and the right of referendum relating thereto, and the newspaper named for publication is hereby determined to reach the largest number of persons to whom the notice is directed.

4. The City makes the following declarations for the purpose of complying with the reimbursement rules of Treas. Reg. § 1.150-2 pursuant to the Internal Revenue Code of 1986, as amended:

- (a) The City reasonably expects to reimburse itself with proceeds of the Bonds for certain costs of the Projects which were paid or will be paid from the general funds of the City subsequent to sixty (60) days prior to today.
- (b) The maximum principal amount of debt expected to be issued for the Projects, including issuance costs, is \$11,750,000.
- (c) A reimbursement allocation of the capital expenditures described above with the proceeds of the Bonds will occur not later than 18 months after the later of (i) the date on which the expenditure is paid, or (ii) the date the Projects are placed in service or abandoned, but in no event more than three (3) years after the original expenditure is paid. A reimbursement allocation is an allocation in writing that evidences the City's use of the proceeds of the Bonds to reimburse the City for a capital expenditure made pursuant to this resolution.

5. 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 Borling
City Clerk

I hereby certify that the attached 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 the 2nd day of March, 2020, and that public notice of said meeting was given pursuant to and in full compliance with Act No. 267, Public Acts of Michigan, 1976 and that minutes of the meeting were kept and will be or have been made available as required by said Act.

Scott Borling
City Clerk

EXHIBIT A

NOTICE TO TAXPAYERS AND ELECTORS OF THE CITY OF KALAMAZOO OF INTENT TO ISSUE BONDS AND THE RIGHT OF REFERENDUM RELATING THERETO

PLEASE TAKE NOTICE that the City of Kalamazoo, County of Kalamazoo, State of Michigan (the "City"), intends to issue and sell its general obligation limited tax bonds pursuant to Act 34, Public Acts of Michigan, 2001, as amended, in an aggregate principal amount of not to exceed Eleven Million Seven Hundred Fifty Thousand Dollars (\$11,750,000) for the purpose of paying all or part of the costs of certain public improvements in the City, including a) acquiring and constructing major street and local street improvements, including traffic signal upgrades; b) acquiring, constructing, furnishing and equipping public safety facilities improvements; c) acquiring and constructing park and recreation improvements; d) acquiring information technology equipment; and e) acquiring public services and public safety equipment; including all related equipment, site improvements, appurtenances and attachments.

SOURCE OF PAYMENT OF BONDS

THE PRINCIPAL OF AND INTEREST ON SAID BONDS SHALL BE PAYABLE from the general funds of the City lawfully available for such purposes including property taxes levied within applicable constitutional, statutory and charter tax rate limitations.

BOND DETAILS

SAID BONDS will be payable in annual installments not to exceed twenty-five (25) in number and will bear interest at the rate or rates to be determined at a public or private sale but in no event to exceed the maximum rate permitted by law on the balance of the bonds from time to time remaining unpaid.

RIGHT OF REFERENDUM

THE BONDS WILL BE ISSUED WITHOUT A VOTE OF THE ELECTORS UNLESS A PETITION REQUESTING SUCH A VOTE SIGNED BY NOT LESS THAN 10% OF THE REGISTERED ELECTORS RESIDING WITHIN THE BOUNDARIES OF THE CITY IS FILED WITH THE CITY CLERK WITHIN FORTY-FIVE (45) DAYS AFTER PUBLICATION OF THIS NOTICE. IF SUCH PETITION IS FILED, THE BONDS MAY NOT BE ISSUED WITHOUT AN APPROVING VOTE OF A MAJORITY OF THE QUALIFIED ELECTORS RESIDING WITHIN THE BOUNDARIES OF THE CITY VOTING THEREON.

THIS NOTICE is given pursuant to the requirements of Section 517, Act 34, Public Acts of Michigan, 2001, as amended.

Scott Borling
City Clerk, City of Kalamazoo

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City Commission Agenda Report

City of Kalamazoo

Date: **3/2/2020**

Item: **F.10.**

TO: Mayor Anderson, Vice Mayor Griffin, and City Commissioners

FROM: James K. Ritsema, City Manager
Reviewed by: Steve Vicenzi, Management Services Director / CFO
Prepared by: Steve Vicenzi, Management Services Director / CFO

DATE: March 2, 2020

SUBJECT: Notice of Intent Resolution for 2020 Water Supply System Revenue Bonds

RECOMMENDATION:

It is recommended that the City Commission adopt a Notice of Intent Resolution for the issuance of 2020 Water Supply System Revenue Bonds in an amount not to exceed forty five million five hundred thousand dollars (\$45,500,000).

BACKGROUND:

The Adopted FY 2020 Budget also calls for certain capital improvements to be undertaken by debt for the purpose of paying all or part of the cost of acquiring and constructing additions, extensions and improvements to the Water Supply System of the City, including water main and service line improvements and replacements, elevated storage, booster improvements, well replacement and water meter improvements, together with all necessary equipment, furnishings and all appurtenances and attachments.

The adoption of these resolutions begins the process of issuing the debt. The resolution requires that a Notice of Intent to issue debt be published in the Kalamazoo Gazette. The Bonds can be issued without a vote of the City electors unless a petition is filed with the City Clerk within 45 days of publication of the notice with signatures from 10% of the electorate. Assuming the referendum period expires without referendum petitions being submitted, the City could sell the Bonds in April 2020.

The bonds will be sourced using standard revenue bonds (\$22,000,000) and drinking water revolving fund (DWRf) bonds through the State of Michigan (\$23,500,000). The DWRf bonds are paid on a draw down basis and budgeted to be spent in the 2020 and 2021 budgets. Due to statute and the application process, the entire amount of the awarded bonds must be approved in the year of application rather than the year funds are actually received.

STRATEGIC VISION ALIGNMENT:

Strategic Goal Impact:



Good Governance- Ensuring the City organization has the capacity and resources to effectively implement the community's Strategic Vision in a way that is sustainable over the long term.

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

Inform (one-way conversation) – no feasible alternatives available due to legal/regulatory restrictions, standards and best practices, or resource limitations; the community will be made aware of the project.

FISCAL IMPACT:

Funds for the above projects are included in the Adopted FY 2020 and 2021 Budgets, the Water System's multi-year plan.

**NOTICE OF INTENT RESOLUTION
WATER SUPPLY SYSTEM REVENUE BONDS**

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, held on the 2nd day of March, 2020, at 7:00 p.m., prevailing Eastern Time.

PRESENT: Commissioners _____

ABSENT: Commissioners _____

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

WHEREAS, the City Commission intends to authorize the issuance and sale of Water Supply System Revenue Bonds, pursuant to Act 94, Public Acts of Michigan, 1933, as amended, in one or more series, in the principal amount of not to exceed in total Forty-Five Million Five Hundred Thousand Dollars (\$45,500,000), for the purpose of for the purpose of paying all or part of the cost of acquiring and constructing additions, extensions and improvements to the Water Supply System of the City, including water main and service line improvements and replacements, treatment plant improvements, tank and storage improvements, pump station and booster improvements, well replacement and water meter improvements, together with all necessary equipment, furnishings and all appurtenances and attachments (the "Project"); and

WHEREAS, a Notice of Intent to Issue Bonds must be published at least forty-five (45) days before issuance of the same in order to comply with the requirements of Section 33 of Act 94, Public Acts of Michigan, 1933, as amended; and

WHEREAS, the City intends, at this time to state its intentions to be reimbursed from proceeds of the bonds for any expenditures undertaken by the City for the Project prior to issuance of the bonds.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City Clerk is hereby authorized and directed to publish a Notice of Intent to Issue Bonds in the *Kalamazoo Gazette*, a newspaper of general circulation in the City.

2. The Notice of Intent shall be published as a display advertisement not less than one-quarter (1/4) page in size in substantially the form attached to this resolution as Exhibit A.

3. The City Commission does hereby determine that the foregoing form of Notice of Intent to Issue Bonds and the manner of publication directed is adequate notice to the electors of the City and users of the City's Water Supply System and is well calculated to inform them of the intention of the City to issue the bonds, the purpose of the bonds, the security for the bonds and the rights of referendum of the electors with respect thereto, and that the provision of forty-five (45) days within which to file a referendum petition is adequate to insure that the City's

electors may exercise their legal rights of referendum.

4. The City makes the following declarations for the purpose of complying with the reimbursement rules of Treas. Reg. § 1.150-2 pursuant to the Internal Revenue Code of 1986, as amended:

- (a) The City reasonably expects to reimburse itself with proceeds of the Bonds for certain costs of the Project which were paid or will be paid from the Water Supply System funds of the City subsequent to sixty (60) days prior to today.
- (b) The maximum principal amount of debt expected to be issued for the Project, including issuance costs, is \$45,500,000.
- (c) A reimbursement allocation of the capital expenditures described above with the proceeds of the Bonds will occur not later than 18 months after the later of (i) the date on which the expenditure is paid, or (ii) the date the Project is placed in service or abandoned, but in no event more than three (3) years after the original expenditure is paid. A reimbursement allocation is an allocation in writing that evidences the City's use of the proceeds of the Bonds to reimburse the City for a capital expenditure made pursuant to this resolution.

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

AYES: Member: _____

NAYS: Member: _____

RESOLUTION DECLARED ADOPTED.

Scott Borling
City Clerk

I hereby certify that the attached 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 2, 2020, and that public notice of said meeting was given pursuant to and in full compliance with Act No. 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 Borling
City Clerk

EXHIBIT A
NOTICE TO ELECTORS
OF THE CITY OF KALAMAZOO AND
USERS OF THE CITY'S WATER SUPPLY SYSTEM
OF INTENT TO ISSUE REVENUE BONDS PAYABLE FROM THE REVENUES
OF THE WATER SUPPLY SYSTEM
AND OF RIGHT OF REFERENDUM RELATING THERETO

PLEASE TAKE NOTICE that the City Commission of the City of Kalamazoo intends to authorize the issuance and sale of Water Supply System Revenue Bonds pursuant to Act 94, Public Acts of Michigan, 1933, as amended, in the principal amount of not to exceed in total Forty-Five Million Five Hundred Thousand Dollars (\$45,500,000), in one or more series, for the purpose of paying all or part of the cost of additions, extensions and improvements to the Water Supply System of the City, including water main and service line improvements and replacements, treatment plant improvements, tank and storage improvements, pump station and booster improvements, well replacement and water meter improvements, together with all necessary equipment, furnishings and all appurtenances and attachments.

Said bonds will mature in annual installments not to exceed twenty-five (25) in number, with interest rates to be determined at sale but in no event to exceed such rates as may be permitted by law on the unpaid balance from time to time remaining outstanding on said bonds.

SOURCE OF PAYMENT OF BONDS

THE PRINCIPAL OF AND INTEREST ON SAID REVENUE BONDS shall be payable solely and only from the net revenues derived from the operation of the City's Water Supply System. Said revenues consist of rates and charges for services supplied by the said System which may from time to time be increased in order to provide sufficient revenues to meet expenses of operating and maintaining said System and paying debt service on certain existing revenue bonds, the bonds referred to herein and any future revenue bonds payable from the net revenues of said System. Schedules of rates presently in effect for the System are on file in the office of the City Clerk.

RIGHT OF REFERENDUM

THE REVENUE BONDS WILL BE ISSUED WITHOUT VOTE OF THE ELECTORS UNLESS A PETITION REQUESTING AN ELECTION ON THE QUESTION OF ISSUING THE BONDS, SIGNED BY NOT LESS THAN 10% OF THE REGISTERED ELECTORS OF THE CITY, IS FILED WITH THE CITY CLERK WITHIN FORTY-FIVE (45) DAYS AFTER PUBLICATION OF THIS NOTICE. IF SUCH A PETITION IS FILED, THE BONDS CANNOT BE ISSUED UNLESS APPROVED BY A MAJORITY VOTE OF THE ELECTORS OF THE CITY VOTING ON THE QUESTION OF THEIR ISSUANCE.

THIS NOTICE is given pursuant to the requirements of Section 33 of Act 94, Public Acts of Michigan, 1933, as amended.

ADDITIONAL INFORMATION will be furnished at the office of the City Clerk upon request.

Scott Borling, City Clerk
City of Kalamazoo



City Commission Agenda Report

City of Kalamazoo

Date: **3/2/2020**

Item: **F.11.**

TO: Mayor Anderson, Vice Mayor Griffin, and City Commissioners

FROM: James K. Ritsema, City Manager
Reviewed by: Steve Vicenzi, Management Services Director / CFO
Prepared by: Steve Vicenzi, Management Services Director / CFO

DATE: March 2, 2020

SUBJECT: Notice of Intent Resolution for 2020 Wastewater System Revenue Bonds

RECOMMENDATION:

It is recommended that the City Commission adopt Notice of Intent Resolution for 2020 Wastewater System Revenue Bonds in an amount not to exceed eleven million dollars (\$11,000,000).

BACKGROUND:

The Adopted FY 2020 Budget also calls for certain capital improvements to be undertaken by debt for the purpose of paying all or part of the cost of acquiring and constructing additions, extensions and improvements to the Wastewater System of the City, including new and replacement mains, treatment plant improvements and other facilities improvements, together with all necessary structures, equipment, furnishings, site improvements and all appurtenances and attachments.

The adoption of these resolutions begins the process of issuing the debt. The resolution requires that a Notice of Intent to issue debt be published in the Kalamazoo Gazette. The Bonds can be issued without a vote of the City electors unless a petition is filed with the City Clerk within 45 days of publication of the notice with signatures from 10% of the electorate. Assuming the referendum period expires without referendum petitions being submitted, the City could sell the Bonds in April 2020.

STRATEGIC VISION ALIGNMENT:

Strategic Goal Impact:



Good Governance- Ensuring the City organization has the capacity and resources to effectively implement the community's Strategic Vision in a way that is sustainable over the long term.

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

Inform (one-way conversation) – no feasible alternatives available due to legal/regulatory restrictions, standards and best practices, or resource limitations; the community will be made aware of the project.

FISCAL IMPACT:

Funds for the above projects are included in the Adopted FY 2020 Budget, the Wastewater System's multi-year plan.

**NOTICE OF INTENT RESOLUTION
WASTEWATER SYSTEM REVENUE BONDS**

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, held on the 2nd day of March, 2020, at 7:00 p.m., prevailing Eastern Time.

PRESENT: Commissioners _____

ABSENT: Commissioners _____

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

WHEREAS, the City Commission intends to authorize the issuance and sale of Wastewater System Revenue Bonds, pursuant to Act 94, Public Acts of Michigan, 1933, as amended, in the principal amount of not to exceed in total Eleven Million Dollars (\$11,000,000), for the purpose of paying all or part of the cost of acquiring and constructing additions, extensions and improvements to the Wastewater System of the City, including new and replacement mains, treatment plant improvements and other facilities improvements, together with all necessary structures, equipment, furnishings, site improvements and all appurtenances and attachments (the "Project"); and

WHEREAS, a Notice of Intent to Issue Bonds must be published at least forty-five (45) days before issuance of the same in order to comply with the requirements of Section 33 of Act 94, Public Acts of Michigan, 1933, as amended; and

WHEREAS, the City intends, at this time to state its intentions to be reimbursed from proceeds of the bonds for any expenditures undertaken by the City for the Project prior to issuance of the bonds.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City Clerk is hereby authorized and directed to publish a Notice of Intent to Issue Bonds in the *Kalamazoo Gazette*, a newspaper of general circulation in the City.

2. The Notice of Intent shall be published as a display advertisement not less than one-quarter (1/4) page in size in substantially the form attached to this resolution as Exhibit A.

3. The City Commission does hereby determine that the foregoing form of Notice of Intent to Issue Bonds and the manner of publication directed is adequate notice to the electors of the City and users of the City's Wastewater System and is well calculated to inform them of the intention of the City to issue the bonds, the purpose of the bonds, the security for the bonds and the rights of referendum of the electors with respect thereto, and that the provision of forty-five (45) days within which to file a referendum petition is adequate to insure that the City's electors may exercise their legal rights of referendum.

4. The City makes the following declarations for the purpose of complying with the reimbursement rules of Treas. Reg. § 1.150-2 pursuant to the Internal Revenue Code of 1986, as amended:

- (a) The City reasonably expects to reimburse itself with proceeds of the Bonds for certain costs of the Project which were paid or will be paid from the Wastewater System funds of the City subsequent to sixty (60) days prior to today.
- (b) The maximum principal amount of debt expected to be issued for the Project, including issuance costs, is \$11,000,000.
- (c) A reimbursement allocation of the capital expenditures described above with the proceeds of the Bonds will occur not later than 18 months after the later of (i) the date on which the expenditure is paid, or (ii) the date the Project is placed in service or abandoned, but in no event more than three (3) years after the original expenditure is paid. A reimbursement allocation is an allocation in writing that evidences the City's use of the proceeds of the Bonds to reimburse the City for a capital expenditure made pursuant to this resolution.

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

AYES: Member: _____

NAYS: Member: _____

RESOLUTION DECLARED ADOPTED.

Scott Borling
City Clerk

I hereby certify that the attached 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 2, 2020, and that public notice of said meeting was given pursuant to and in full compliance with Act No. 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 Borling
City Clerk

EXHIBIT A
NOTICE TO ELECTORS
OF THE CITY OF KALAMAZOO AND
USERS OF THE CITY'S WASTEWATER SYSTEM
OF INTENT TO ISSUE REVENUE BONDS PAYABLE FROM THE REVENUES
OF THE WASTEWATER SYSTEM
AND OF RIGHT OF REFERENDUM RELATING THERETO

PLEASE TAKE NOTICE that the City Commission of the City of Kalamazoo intends to authorize the issuance and sale of Wastewater System Revenue Bonds pursuant to Act 94, Public Acts of Michigan, 1933, as amended, in the principal amount of not to exceed in total Eleven Million Dollars (\$11,000,000), for the purpose of paying all or part of the cost of acquiring and constructing additions, extensions and improvements to the Wastewater System of the City, including new and replacement mains, treatment plant improvements and other facilities improvements, together with all necessary structures, equipment, furnishings, site improvements and all appurtenances and attachments.

Said bonds will mature in annual installments not to exceed twenty-five (25) in number, with interest rates to be determined at sale but in no event to exceed such rates as may be permitted by law on the unpaid balance from time to time remaining outstanding on said bonds.

SOURCE OF PAYMENT OF BONDS

THE PRINCIPAL OF AND INTEREST ON SAID REVENUE BONDS shall be payable solely and only from the net revenues derived from the operation of the City's Wastewater System. Said revenues consist of rates and charges for services supplied by the said System which may from time to time be increased in order to provide sufficient revenues to meet expenses of operating and maintaining said System and paying debt service on certain existing revenue bonds, the bonds referred to herein and any future revenue bonds payable from the net revenues of said System. Schedules of rates presently in effect for the System are on file in the office of the City Clerk.

RIGHT OF REFERENDUM

THE REVENUE BONDS WILL BE ISSUED WITHOUT VOTE OF THE ELECTORS UNLESS A PETITION REQUESTING AN ELECTION ON THE QUESTION OF ISSUING THE BONDS, SIGNED BY NOT LESS THAN 10% OF THE REGISTERED ELECTORS OF THE CITY, IS FILED WITH THE CITY CLERK WITHIN FORTY-FIVE (45) DAYS AFTER PUBLICATION OF THIS NOTICE. IF SUCH A PETITION IS FILED, THE BONDS CANNOT BE ISSUED UNLESS APPROVED BY A MAJORITY VOTE OF THE ELECTORS OF THE CITY VOTING ON THE QUESTION OF THEIR ISSUANCE.

THIS NOTICE is given pursuant to the requirements of Section 33 of Act 94, Public Acts of Michigan, 1933, as amended.

ADDITIONAL INFORMATION will be furnished at the office of the City Clerk upon request.

Scott Borling, City Clerk
City of Kalamazoo



City Commission Agenda Report

City of Kalamazoo

Date: **3/2/2020**

Item: **F.12.**

TO: Mayor Anderson, Vice Mayor Griffin, and City Commissioners

FROM: James K. Ritsema, City Manager
Reviewed by: Rebekah Kik, Community Planning & Development Director
Prepared by: Venessa Collins-Smith, Community Planning and Economic Development Compliance Specialist

DATE: March 2, 2020

SUBJECT: Release of the DRAFT 2020 HUD Action Plan for a 30-day Public Comment Period

RECOMMENDATION:

It is recommended that the City Commission approve the release of the 2020 Draft Action Plan for a 30-day public comment period to begin on March 6, 2020, as required by the U.S. Department of Housing and Urban Development (HUD).

BACKGROUND:

The City of Kalamazoo 2020 Program Year (PY) Action Plan requires an open process in which citizens can provide input into the development of the plan. 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 draft plan and the activities proposed for funding. The **Draft Action Plan** is included as **Attachment A** of this report. It is anticipated that the City Commission will take action on the PY2020 HUD budget in May 2020.

As this is the beginning of the public process, changes may still be made to the draft Action Plan. 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 09, 2020. The **funding 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

Community Planning and Development (CP&D) expects that the 2020 funding levels will be as follows: Community Development Block

activities during PY2020 (July 1, 2020 – June 30, 2021).

The anticipated total funding to be allocated to PY2020 activities is \$2,394,371. This amount includes unallocated CDBG funds for PY2020 and prior year(s) \$138,002 that will go towards CDBG eligible activities addressing the needs of low to moderate individuals and households. HOME 2018 unallocated amount will go towards affordable housing project(s) for City of Kalamazoo. The following table provides these totals by federal program:

Table 1: Total PY2017 Anticipated Funding

	CDBG	HOME	ESG	TOTAL
Entitlement	\$1,615,035	\$492,146		\$2,107,181
Anticipated Program Income (anticipated)	\$120,680			\$120,680
Unallocated Program Income from prior years	\$138,002	\$123,820.00		\$261,822
	\$1,873,717	\$615,966	\$0	\$2,489,683

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 PY2017 is:

Table 2: Program Income Estimated for PY2020

Organization		
Organization	Activity	Program Income
City of Kalamazoo	Small Business Revolving Loan Fund	\$11,280
KNHS	Deferred Home Maintenance	\$95,000
Community Homeworks	Critical Home Repair	\$14,400
	Total	\$120,680.00

Table 3: CDBG Unallocated Funds

PY2020 Unallocated Funding	\$8,989
Total	\$8,989

Table 5: HOME Unallocated Funds

PY2019 Unallocated Funding	\$123,820
Py2020 Unallocated Funding	\$147,431
Total	\$271,251

II. Application Process

CP&D staff and CDAAC used a competitive application process that focused on housing and neighborhood investment for the CDBG and

HOME grants. Staff, in partnership with CDAAC members, created two competitive applications, Affordable Housing and Neighborhood Enhancement Project.

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
	Down Payment Assistance
	Critical Home Repair
HOME Affordable Housing	Rental - New or Rehabilitation
	Property Redevelopment for Homeownership

A total of three CDBG applications and two HOME applications were submitted. The CDAAC Affordable Housing Subcommittee spent a month reviewing the applications to determine draft funding awards based on a set of review criteria provided in the application packets. At the **February 13 2020**, meeting, funding recommendations for funds set aside for competitive applications were accepted by CDAAC from the Scoring Committee and were approved to be sent to the City Commission to open the 30-day public comment period.

Community Investment will pilot a new program this year Code Enforcement Repair Pilot Program under Neighborhood Enhancement Project, intended to support city residents with code enforcement violations located in eligible CDBG neighborhoods that will have an immediate and positive impact on the neighborhood. The scope of the project(s) will include critical code violations that could result in bodily harm to occupants. Total funding available for Neighborhood Enhancement is \$75,000. A Request for Proposals will be distributed for home repair companies to submit proposals.

STRATEGIC VISION ALIGNMENT:

Relevant Priority Based Budgeting Program (program name and description):

Homeless Assistance: Support the strategic plan to end homelessness with a focus on the mentally and physically disabled - implemented through the Continuum of Care

Demolition Program Management: Management of various demolition grants and ongoing demolition plans

Department of Housing and Urban Development (HUD) Grants Administration: Administration of grant funded projects by city staff, including monthly monitoring, reimbursement processing, annual subrecipient file review and site visits, and grant writing

Fair Housing Initiatives: Development and implementation of federally-required fair housing plans

Historic Property Reviews: Reviewing properties to confirm historical/environmental eligibility for HUD

funding

Neighborhood Enhancement: Advance the sustainability of CDBG neighborhoods through redevelopment, infrastructure improvements, and sustained investment, carried out by Public Services and other subrecipients. The type of project is determined on an annual basis.

Neighborhood Association Support: Work with Neighborhood Associations in CDBG eligible neighborhoods as identified in the current Consolidated Plan

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. Projects are carried out by CDBG and HOME subrecipients

CDBG Code Enforcement Repair Program: working with Community Investment staff, code enforcement, and trades staff, to fund the repair of identified code violations for owner-occupied homes.

Strategic Goal Impact:



Complete Neighborhoods - residential areas that support the full range of people's daily needs

Discussion

The funded programs will support efforts to meet people's daily needs



Shared Prosperity - Abundant opportunities for all people to prosper

Discussion

Affordable Housing programs will support the Shared Prosperity goals.

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

Consult (two-way conversation) – the community will have a chance to react to the project through two-way conversation.

Discussion:

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 2019 – 2023

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.

PY2020 Action Plan Draft Budget- Sources and Uses			
SOURCES			
CDBG Allocation		\$ 1,615,035	
CDBG Prior Years Unallocated Funds		\$ 138,002	
CDBG Anticipated Program Income		\$ 120,680	
HOME Allocation		\$ 492,146	
HOME Prior Year un/allocated Funds		\$ 123,820	
TOTAL 2019 FUNDS AVAILABLE		\$ 2,489,683	
USES			
Agency	Activity Name	Funding	
CDBG ADMINISTRATION ² (20% Cap)			
City of Kalamazoo	Administration	\$323,007	\$ 323,007
CDBG - GENERAL			
City of Kalamazoo	Code Administration	\$400,000	
City of Kalamazoo	Demolition	\$50,000	
Total			\$ 450,000
CDBG PUBLIC SERVICE ¹ (15% Cap)			
City of Kalamazoo Public Safety	Crime Prevention	\$150,000	
Corp	Continuum of Care	\$20,000	
Fair Housing Ctr of SW Michigan	Fair Housing	\$20,000	
City of Kalamazoo	P&R Youth Development	\$11,500	
Total			\$ 201,500
CDBG - AFFORDABLE HOUSING			
Agency	Activity Name	Funding	
Community Homeworks	Critical Home Repair	\$95,000	
Senior Services	Minor Hm Repair -Seniors	\$150,000	
KNHS	Down Payment Assistance	\$105,000	
City of Kalamazoo	Code Repair Program	\$125,000	
City of Kalamazoo	Lead Grant Match	\$94,541	
Total			\$ 569,541
2020 Neighborhood Enhancement			
City of Kalamazoo	2019 Unallocated	\$138,002	
City of Kalamazoo	2020 Unallocated	\$61,998	
Total			\$ 200,000
CDBG - UNALLOCATED PROGRAM FUNDS			
Agency	Activity Name	Funding	Total
City of Kalamazoo	2020 Unallocated	\$8,989	
Unallocated Prior Years Program Funds - Total			\$ 8,989
TOTAL CDBG PROGRAM ALLOCATIONS			\$ 1,753,037
ANTICIPATED PROGRAM INCOME			
Agency	Activity Name	Funding Recom	Total
City of Kalamazoo CP&D	Loan	\$11,280	
Kzoo Neighborhood Housing Services	Minor/Emergency Roof Repair	\$95,000	
Community Homeworks	Critical Minor Home Repair	\$14,400	
Anticipated Program Income Total			\$ 120,680
Anticipated Program Income Total			
TOTAL CDBG FUNDING FOR PY2020			\$ 1,873,717
HOME - 10% Adm, 15% CHDO			
Agency	Activity Name	Funding	Total
City of Kalamazoo	City of Kalamazoo Adm	\$49,215	
KNHS	Lease Purchase (CHDO 73,822)	\$205,000	
Tardani, Sole Propietor	Rental Rehab	\$90,500	
HOME CURRENT YEAR TOTAL HUD ALLOCATION			\$ 344,715
HOME - Affordable Housing Project			
City of Kalamazoo	2020 Unallocated	\$147,431	
City of Kalamazoo	2019 Unallocated	\$123,820	
HOME - TOTAL UNALLOCATED FUNDS			\$ 271,251
TOTAL HOME FUNDING FOR PY2020			\$ 615,966
PROGRAM YEAR 2020 TOTAL			\$ 2,489,683

1Public Services activities are subject to a 15% cap

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

3HOME administration is subject to a 10% cap

4HOME-CHDO is subject to a 15% cap

5ESG administration is subject to a 7.5% cap

Disclaimer: This document is a draft, and provided as a courtesy. This document is not to be considered the final FY 2020-2021 Annual Action Plan. Because it is a work in progress, there are meetings that are forthcoming, parts that may be revised, including page numbers and references. All information contained herein is subject to



Community Planning & Economic Development PY2020 Action Plan

Year Two of 2019-2023 Consolidated Plan

City of Kalamazoo

Community Development Block Grant Program

HOME Investment Partnerships Program

Adopted by the Kalamazoo City Commission on – May____, 2020

Submitted to HUD on: May____, 2020

***Prepared by Staff of the City of Kalamazoo Community Planning
and***

Development Services Division

245 N. Rose Street Kalamazoo, MI 49007

269-337-8044

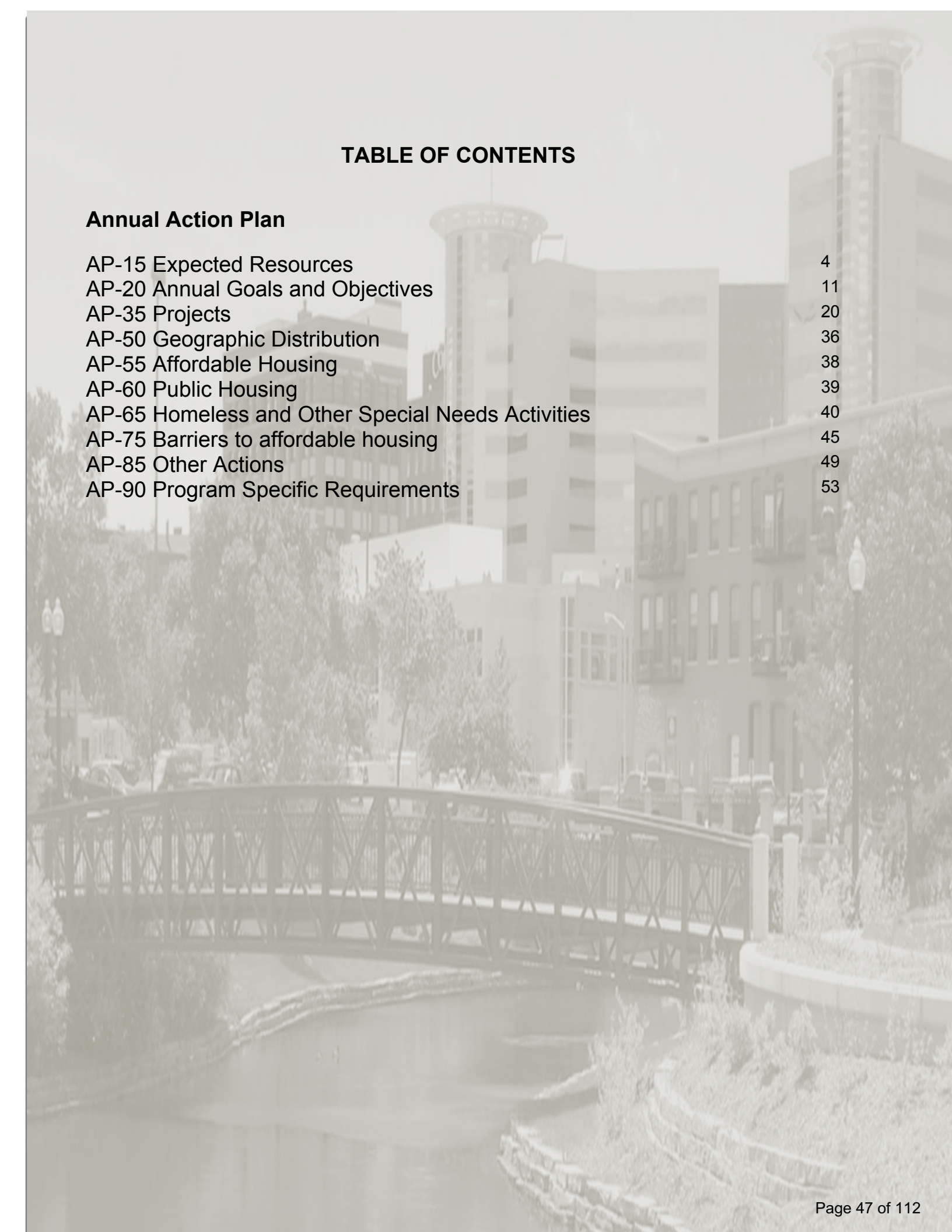


TABLE OF CONTENTS

Annual Action Plan

AP-15 Expected Resources	4
AP-20 Annual Goals and Objectives	11
AP-35 Projects	20
AP-50 Geographic Distribution	36
AP-55 Affordable Housing	38
AP-60 Public Housing	39
AP-65 Homeless and Other Special Needs Activities	40
AP-75 Barriers to affordable housing	45
AP-85 Other Actions	49
AP-90 Program Specific Requirements	53

Action Plan

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) 2020 Annual Action Plan (July 1, 2020 through June 30, 2021) represents the fifth program year in which to address the needs identified in the City of Kalamazoo's 2020 - 2023 Consolidated Plan, approved by the Kalamazoo City Commission on May 06, 2019.

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 use approximately **\$2,489,683**, in PY2020 funding through the **CDBG (\$1,615,035) and HOME (\$492,146)** federal entitlement grants. The City and its Subrecipients will also utilize approximately **\$120,680, in anticipated program income** in PY2020. The City has unallocated prior year CDBG program funds in the amount of **\$138,002 and 123,820** for HOME. The complete available budget to include unallocated funds for **PY2020 totals \$2,489,683**.

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 2020 - 2023 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.

PY2020 Action Plan Draft Budget- Sources and Uses

SOURCES	
CDBG Allocation	\$ 1,615,035
CDBG Prior Years Unallocated Funds	\$ 138,002
CDBG Anticipated Program Income	\$ 120,680
HOME Allocation	\$ 492,146
HOME Prior Year un/allocated Funds	\$ 123,820
TOTAL 2019 FUNDS AVAILABLE	\$2,489,683

USES			
Agency	Activity Name	Funding	
CDBG ADMINISTRATION² (20% Cap)			
City of Kalamazoo	Administration	\$323,007	\$ 323,007

CDBG - GENERAL			
City of Kalamazoo	Code Administration	\$400,000	
City of Kalamazoo	Demolition	\$50,000	
Total			\$ 450,000

CDBG PUBLIC SERVICE¹ (15% Cap)			
City of Kalamazoo Public Safety	Crime Prevention	\$150,000	
Local Initiatives Support Corp	Continuum of Care	\$20,000	
Fair Housing Ctr of SW Michigan	Fair Housing	\$20,000	
City of Kalamazoo	P&R Youth Development	\$11,500	
Total			\$ 201,500

CDBG - AFFORDABLE HOUSING			
Agency	Activity Name	Funding	
Community Homeworks	Critical Home Repair	\$95,000	
Senior Services	Minor Hm Repair -Seniors	\$150,000	
KNHS	Down Payment Assistance	\$105,000	
City of Kalamazoo	Code Repair Program	\$125,000	
City of Kalamazoo	Lead Grant Match	\$94,541	
Total			\$ 569,541
2020 Neighborhood Enhancement			
City of Kalamazoo	2019 Unallocated	\$138,002	
Total			\$ 138,002

CDBG - UNALLOCATED PROGRAM FUNDS			
Agency	Activity Name	Funding	Total
City of Kalamazoo	2020 Unallocated	\$70,987	
Unallocated Prior Years Program Funds - Total			\$ 70,987
TOTAL CDBG PROGRAM ALLOCATIONS			\$1,753,037

ANTICIPATED PROGRAM INCOME			
Agency	Activity Name	Funding Recom	Total

City of Kalamazoo CP&D	Small Business Revolving Loan	\$11,280	
Kzoo Neighborhood Housing Services	Minor/Emergency Roof Repair	\$95,000	
Community Homeworks	Critical Minor Home Repair	\$14,400	
Anticipated Program Income Total			\$ 120,680
Anticipated Program Income Total			

TOTAL CDBG FUNDING FOR PY2020			\$1,873,717
HOME - 10% Adm, 15% CHDO			
Agency	Activity Name	Funding	Total
City of Kalamazoo	City of Kalamazoo Adm	\$49,215	
KNHS	Lease Purchase (CHDO 73,822)	\$205,000	
Tardani, Sole Proprietor	Rental Rehab	\$90,500	
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HOME – AFFORDABLE HOUSING PROGRAM			
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4HOME-CHDO is subject to a 15% cap

5ESG administration is subject to a 7.5% cap

Priority Table

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 2				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	Public and Federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	1,615,35	120,680	138,002	1,873,717	5,736,621	These funds will leverage City dollars through public infrastructure investment and other City services. In addition, other State and Federal funds will be leveraged by City Subrecipients for housing activities.
HOME	Federal	Acquisition Homebuyer assistance Homeowner Lease Purchases rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	492,146	0	123,820	615,966	1,476,438	HOME dollars will leverage additional HOME funds from MSHDA, as well as possible low income housing tax credits depending on the projects funded.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 2				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG	Federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	0	0	0	0	0	The Continuum of Care will leverage City funds with MSHDA ESG funding. If ESG funds are received.

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 leverage 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.

Acceptable Sources of HOME Match

- Local or State general revenues
- Housing trust funds
- Foundations, donations
- Program income from HODAG, RRP or UDAG only after grant closeout
- Value of waived taxes, fees, or charges
- Appraisal value of land or real property not acquired with Federal Funds
- Difference between appraised value and acquisition cost, if property is acquired with Federal funds
- Grant equivalent of below market
- Interest rate loans to the project
- The cost of investments, not made with federal resources, in on and off-site infrastructure that is directly required for the affordable housing assisted with HOME funds
- Federal Home Loan Bank grants
- Value of donated material or labor

- Direct cost of supportive services that facilitate independent living or as part of a self-sufficiency program
- Direct cost of homebuyer counseling for families that complete a HOME assisted purchase

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)

#	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Affordable Housing	2020	2023	Affordable Housing	City-wide low-income households CDBG-Eligible Census Tracts	Acquisition of Existing Units Administration of Programs Production of New Units Public Services Rehabilitation of Existing Units Rental Assistance Down Payment Assistance	CDBG: \$569,541	Household Housing Units SS/CH-Homeowner Housing Rehabilitated: 123 Lead Reduction Units 10 Code Enforcement Program 15 Down Payment Assistance - 12 Demolition 3 Code Enforcement: 1100

#	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Affordable Housing	2020	2023	Non-Housing Community Development	City-wide low-income households CDBG-Eligible Census Tracts	Public Services	CDBG: 150,000	Household Housing Unit Crime Prevention
							HOME: \$295,500	Rental Unit Added: 4 KNHS Affordable Housing – 3

	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
2	Homeless Assistance NO PY2020 ESG ALLOCATION ESG Services are based on award	2020	2020	Homelessness–	City-wide low-income households	Homeless Emergency Shelters Homeless Prevention	CDBG: \$20,000	Public Service dollars to assist CoC in the administration of ESG program

#	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
3	Neighborhood Enhancement	2020	2020	Non-Homeless Community Development	Core Neighborhoods low-income households CDBG-Eligible Census Tracts	Neighborhood Improvement	CDBG: \$200,00	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:

#	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
4	Youth Development	2020	2020	Non-Homeless Special Needs	City-wide low-income households CDBG-Eligible Census Tracts	Administration of Programs Public Services	CDBG: \$11,500	Public service activities other than Low/Moderate Income Housing Benefit: Anticipated Assisted 340 Persons

Table 2 – Goals Summary

Goal Descriptions

1	Goal Name	Affordable Housing
	Goal Description	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.
2	Goal Name	Create New Homeownership Opportunities-Down payment Goal
	Goal Description	Use HOME Program funds to assist first-time homebuyers to afford down payment expense.
3	Goal Name	Maintain habitability for elderly homeowners
	Goal Description	Help the elderly maintain and retain their homes through the provision of home repairs.
4	Goal Name	Make the City more livable for people w/disabilities
	Goal Description	Assist people with disabilities, landlords, and advocates in the areas of housing and housing rights; perform accessibility improvements in public facilities.
5	Goal Name	Promote community development through planning
	Goal Description	Perform citywide comprehensive community development planning to help formulate long-term development and policy objectives for the City.

6	Goal Name	Demolition of blighted properties
	Goal Description	Improve neighborhood quality through the elimination or improvement of blighted properties.
	Goal Description	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.
7	Goal Name	Homeless Assistance
	Goal Description	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. Funds will be used to invest in proven strategies to reduce the number of homeless individuals on the streets. Agency funded activities will include canvassing for clients, engaging clients, accessing or providing emergency and crisis intervention services, assessing clients, crisis intervention counseling, case management, providing access to any available entitlements, benefits, housing or other resources, direct provision of and/or referrals and linkages to health and/or behavioral health Services, and transportation of clients. The City will require funded agencies to specifically focus on chronically homeless individuals.
8	Goal Name	Neighborhood Enhancement
	Goal Description	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.
9	Goal Name	Youth Development
	Goal Description	Develop well-adjusted and productive youth through supporting youth programs and activities that provide recreational opportunities to low- and moderate-income people by funding staff to coordinate and manage programs at park facilities and the creation/improvement of parks and playgrounds.

Table 3 – Goal Descriptions

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):

Below are an estimated number of extremely low-income, low-income and moderate-income families the City will be assisting:

- 4 rental households at or below 80% of area median income with new affordable rental housing; 20% of these units will be further restricted to households at or below 50% of area median income.
- 12 households at or below 80% of area median income with homebuyer assistance.
- 3 households at or below 80% of area median income with new housing for ownership.
- 138 households at or below 80% of area median income with owner occupied rehabilitation.

AP-35 Projects – 91.220(d)

Introduction

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

#	Project Name	
1	CDBG Planning and Development	
2	Code Enforcement	
3	Demolition	
4	Fair Housing of SW Michigan	
5	Parks & Recreation - Youth Program	
6	Public Safety - Neighborhood	
7	Community Homework's - Critical Home Repair	
8	Senior Services - Home Repair for the Elderly	
9	LISC Continuum of Care - CDBG	
10	KNHS - Down Payment Assistance	
11	Code Enforcement Repair	
12	Neighborhood Enhancement – Targeted	
	Neighborhood – Edison Neighborhood	
13	HOME Program Administration and Planning	
15	KNHS – Lease Purchase/Homeownership	
16	Tardani Rentals	
17	Affordable Housing Program	

Table 4 – Project Information

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 2020-2023 Consolidated Plan. This outreach was evaluation 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 2020-2023 Consolidated Plan.

Obstacles to addressing underserved needs are due to the reduction of financial resources, which 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 that 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

Project Summary Information

Table 5 – Project Summary

1	Project Name	CDBG Planning and Development
	Target Area	City-wide low-income households
	Goals Supported	Affordable Housing Homeless Assistance Neighborhood Enhancement Youth Development
	Needs Addressed	Administration of Programs
	Funding	CDBG: \$323,007
	Description	The CP&D Department will utilize the 20% percent cap available from the entitlement funding for management, monitoring and coordination of Activities impacting low to moderate income residents. Funding also includes 85,404 in anticipated program income.
	Target Date of Completion	06/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	There is population of approximately 75,984 residing in the City of Kalamazoo of a non-low/mod and low-mod status will benefit from proposed activity.
	Location Description	245 N. Rose Street Kalamazoo, MI 49007
	Planned Activities	Administration of the CDBG program for the 2020 program year to include monitoring, reporting technical assistance, etc.
2	Project Name	Code Enforcement
	Target Area	CDBG-Eligible Census Tracts
	Goals Supported	Affordable Housing

	Needs Addressed	Public Services
	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 of Completion	06/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	For 2020, the program anticipates that it will issue Housing Code violations affecting an estimated 1000-1300 homeowner and rental housing units to address, curb lawn trash, zoning violations, tall grass/weeds, and graffiti, and general blight.
	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 and general blight.
3	Project Name	Demolition
	Target Area	CDBG-Eligible Census Tracts
	Goals Supported	Neighborhood Enhancement
	Needs Addressed	Public Services
	Funding	CDBG: \$50,000
	Description	Funding for the emergency demolition of imminently dangerous buildings and blight removal.
	Target Date of Completion	06/30/2021

	Estimate the number and type of families that will benefit from the proposed activities	3 Buildings
	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 three vacant, abandoned single-family residential structures.
4	Project Name	Public Services: COK Public Safety – Crime Prevention
	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 of Completion	06/30/2021
	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 role of the Community Policing 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.
	Planned Activities	The role of the Community Policing 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.
5	Project Name	Public Services: LISC
	Target Area	City-wide low-income households
	Goals Supported	Homeless Assistance
	Needs Addressed	Homeless Emergency Shelters 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 of Completion	6/30/2021
	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.
6	Project Name	Public Services: Fair Housing of SW Michigan
	Target Area	City-wide low-income households
	Goals Supported	Neighborhood Enhancement
	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 of Completion	6/30/2021

	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.
7	Project Name	Public Services: Parks & Recreation - Youth Development
	Target Area	CDBG-Eligible Census Tracts
	Goals Supported	Neighborhood Enhancement
	Needs Addressed	Public Services
	Funding	CDBG: \$11,500
	Description	Sponsor programs that are devoted to the mental well-being, discovery of self-worth and relationship development of children.
	Target Date of Completion	06/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	The Parks and Recreation Department will provide an after school and summer youth program from the Youth Development Center located CDBG – Eligible Census Tract Edison Neighborhood. The Center draws from families primarily in the Eastside, Edison, and Vine neighborhoods which are CDBG-eligible. Approximately 68 percent of the households in these four neighborhoods have an income that is 80 percent or below the area median income. In addition, 72 percent of the students within the Kalamazoo Public School system in these neighborhoods are eligible for free and reduced lunch.
	Location Description	230 East Crosstown Parkway, Kalamazoo. Activity will primarily serve census tracts 9, 16 and 13.

	Planned Activities	The Youth Development Center provides services that include meeting space for youth and youth organizations; youth and staff training; programs; a resource center with information and equipment available for use by youth; and collaborative programming that includes intergenerational youth programs, leisure, social/educational and entrepreneurial programs.
8	Project Name	Community Homework's - Critical Home Repair
	Target Area	CDBG-Eligible Census Tracts
	Goals Supported	Affordable Housing
	Needs Addressed	Rehabilitation of Existing Units
	Funding	CDBG: \$95,000
	Description	Community Homework's will use CDBG funding to complete approximately 60 emergency home repairs and will rehabilitate three homes for low- to moderate-income homeowners.
	Target Date of Completion	06/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	Sixty-three (63) low-income households will benefit from this proposed activity.
	Location Description	The activities will take place in one of following census tracts: 1.00, 2.01, 2.02, 3.00, 5.00, 6.00, 9.00, 10.00 and 11.00
	Planned Activities	Community Homework's with provide loans for minor/critical home repair and moderate housing rehabilitation
9	Project Name	Senior Services - Home Repair for the Elderly
	Target Area	CDBG-Eligible Census Tracts
	Goals Supported	Affordable Housing

	Needs Addressed	Rehabilitation of Existing Units
	Funding	CDBG: \$150,000
	Description	Senior Services, Inc. will use CDBG funds to perform minor home repairs and barrier-free accessibility enhancements to approximately 60 housing units owned by senior citizens in CDBG-eligible Census Tracts throughout the City of Kalamazoo.
	Target Date of Completion	06/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	Sixty (60) senior households will benefit from this proposed activity.
	Location Description	The activities will take place in one of following census tracts: 1.00, 2.01, 2.02, 3.00, 5.00, 6.00, 9.00, 10.00 and 11.00
	Planned Activities	Minor/critical home repair and ADA accessibility improvements
10	Project Name	KNHS – Down Payment Assistance
	Target Area	Eligible Census Tracts
	Goals Supported	Affordable Housing
	Needs Addressed	Home Purchase - Down Payment Assistance
	Funding	CDBG: \$105,000
	Description	City of Kalamazoo will use CDBG funds to address the need for down payment assistance for ten (12) for low/mod families.
	Target Date of Completion	06/30/2021

	Estimate the number and type of families that will benefit from the proposed activities	City of Kalamazoo will use CDBG funds to address the need for down payment assistance for twelve (12) for low/mod families. This program offers down payment assistance to first-time homebuyers. Eligible homebuyers can qualify for funding to use toward down payment and/or closing costs on a one- to four- family home, or purchased in one of the five neighborhoods. The amount of the assistance will be up to \$7500. Eligible borrowers must be first-time homebuyers with a maximum annual household income up to 80% of Area Median Income (AMI); purchase a one- to four-family home, , or cooperative in one of the five core neighborhoods of the City of Kalamazoo; qualify for a mortgage loan from a participating lender; have their own savings to contribute toward down payment and closing costs; successfully complete a homebuyer education course with a HUD-approved counseling agency; and occupy the property as their primary residence for at least ten years.
	Location Description	The activities will take place in one of following census tracts: 1.00, 2.01, 2.02, 3.00, 5.00, 6.00, 9.00, 10.00 and 11.00
	Planned Activities	City of Kalamazoo will use CDBG funds to assist twelve (12) low/mod families with down payment assistance
11	Project Name	Code Enforcement Repair Program
	Target Area	CDBG-Eligible Census Tracts
	Goals Supported	Neighborhood Enhancement
	Needs Addressed	Funding will assist families with repairs resulting in code violations
	Funding	CDBG:\$125,000
	Description	City of Kalamazoo will utilize \$125,000 in CDBG funds to address 25 critical home repairs of low to moderate families receiving code violations.
	Target Date of Completion	6/30/21
	Estimate the number and type of families that will benefit from the proposed activities	The City of Kalamazoo will use CDBG funds to assist approximately 25 families with home repairs who are financially stressed.

	Location Description	These activities will take place in one of following census tracts: 1.00, 2.01, 2.02, 3.00, 5.00, 6.00, 9.00, 10.00 and 11.00
	Planned Activities	Funding will be used to address infrastructure improvements as needed.
12	Project Name	COK Lead-Based Paint Hazard Control Program
	Target Area	Eligible Census Tracts
	Goals Supported	Affordable Housing
	Needs Addressed	Stabilization of neighborhoods by mitigating and/or abating lead based paint
	Funding	CDBG: \$94,541
	Description	The City of Kalamazoo, will use CDBG funds as match funding for LBPHRP grant that will mitigate and/or abate lead based paint in 72 units within the City of Kalamazoo.
	Target Date of Completion	06/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	72 Low to mod families homes will be mitigated and or abated from PY2019 through 2022
	Location Description	The activities will take place in one of following census tracts: 1.00, 2.01, 2.02, 3.00, 5.00, 6.00, 9.00, 10.00 and 11.00
	Planned Activities	The City of Kalamazoo, in partnership with Kalamazoo Neighborhood Housing Services, Inc. (KNHS) and Kalamazoo County Health Department will as a match to mitigate and/or abate lead based paint in 72 units within the City of Kalamazoo.

13	Project Name	Neighborhood Enhancement - Targeted Neighborhoods
	Target Area	CDBG-Eligible Census Tracts
	Goals Supported	Neighborhood Improvement
	Needs Addressed	Addresses stabilization of neighborhoods by providing funding to address quality of life, façade improvement, infrastructure and beautification projects in targeted neighborhoods.
	Funding	HOME: \$200,000
	Description	City of Kalamazoo will use CDBG funds to address targeted neighborhood needs for low to moderate income communities.
	Target Date	06/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	The City of Kalamazoo will use CDBG funds for targeted low/mod neighborhoods
	Location Description	The activities will take place in one to nine of following census tracts: 1.00, 2.01, 2.02, 3.00, 5.00, 6.00, 9.00, 10.00 and 11.00
14	Planned Activities	The City of Kalamazoo will use CDBG funds to address quality of life, façade improvement, infrastructure and beautification projects in targeted neighborhoods. housing for low/mod income families.
	Project Name	HOME Program Administration and Planning
	Target Area	City-wide low-income households
	Goals Supported	Affordable Housing
	Needs Addressed	Administration of Programs
	Funding	HOME: \$49,214
14	Description	The CP&D Department will utilize the 10% percent cap available from the entitlement funding for management, monitoring and coordination of HOME Activities.

	Target Date	06/30/2020
	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	These activities will take place in one of following census tracts: 1.00, 2.01, 2.02, 3.00, 5.00, 6.00, 9.00, 10.00 and 11.00
	Planned Activities	Administration of HOME Program.
15	Project Name	KNHS – LEASE PURCHASE/HOMEOWNERSHIP PROGRAM
	Target Area	HOME-Eligible Census Tracts
	Goals Supported	Affordable Housing
	Needs Addressed	Rehabilitation of Existing Homes lease purchase/home ownership
	Funding	HOME: \$205,000
	Description	The City of Kalamazoo will use HOME funds to rehab and lease purchase to three (3) low/mod families.
	Target Date of Completion	06/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	The City of Kalamazoo will use HOME funds to rehabilitate three (3) affordable housing for low/mod income families
	Location Description	The activities will take place in one of following census tracts: 1.00, 2.01, 2.02, 3.00, 5.00, 6.00, 9.00, 10.00 and 11.00
	Planned Activities	The City of Kalamazoo will use HOME funds to acquisition and rehabilitate three (3) , affordable housing for low/mod income families.

16	Project Name	Tardani Rental Properties
	Target Area	HOME-Eligible Census Tracts
	Goals Supported	Affordable Housing
	Needs Addressed	Affordable Rental Housing
	Funding	HOME:\$95,500
	Description	City of Kalamazoo will use HOME funds to rehab four (4) affordable rental units for low/mod families.
	Target Date of Completion	06/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	City of Kalamazoo will use HOME funds to rehab four (4) affordable rental units for low/mod families.
	Location Description	The activities will take place in one of following census tracts: 1.00, 2.01, 2.02, 3.00, 5.00, 6.00, 9.00, 10.00 and 11.00
	Planned Activities	The City of Kalamazoo will use HOME funds to rehabilitate, acquisition n or construct affordable housing for low/mod income families.
17	Project Name	Affordable Housing Program
	Target Area	CDBG-Eligible Census Tracts
	Goals Supported	Affordable Housing
	Needs Addressed	Affordable housing
	Funding	HOME: \$271,251
	Description	City of Kalamazoo will use HOME funds as a grant or loan to fund multi-family Affordable Housing projects for acquisition, rehab or new construction that will house low to moderate income families
	Target Date	06/30/2021

	Estimate the number and type of families that will benefit from the proposed activities	For 2020, the program anticipates providing housing for a minimum of four low to moderate income families
	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 will work with developers to rehab or build four affordable housing units.

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 funds are intended to be used throughout the City.

Geographic Distribution

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

Table 6 - 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 56% 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 (R/ECAPs).” 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 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 funding was not a part of the City of Kalamazoo allocation for 2020 . However, the City of Kalamazoo will use public services to fund ESG administrative efforts throughout the City of Kalamazoo. Many of the homeless shelters are located within downtown Kalamazoo or the core neighborhoods.

Affordable Housing

AP-55 Affordable Housing – 91.220(g)

Introduction

As housing costs continue to rise, the City will utilize CDBG/HOME funding to develop safe, decent, affordable housing for low- and moderate-income households. CDBG/HOME funds will primarily be utilized for the development of single-family housing for ownership, multi-family housing for rental, rehabilitation of existing units and down payment/closing costs assistance for first time homebuyers.

For PY2020, the following goals are expected:

One Year Goals for the Number of Households to be Supported	
Homeless	125
Non-Homeless – Direct Financial Assistance	12
Special-Needs	2
Total	139

Table 7 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
The Production of New Units	4
Repair of Existing Units	148
Acquisition of Existing Units	7
Total	159

Table 8 - One Year Goals for Affordable Housing by Support Type

Discussion

The table describes the one year goals for the CDBG/HOME Program as required by 91.220(g). It describes the term affordable housing to be defined in 24 CFR 92.252 for rental housing and 24 CFR 92.254 for homeownership. This table does not include the 10 homes that will be supported through Down Payment Assistance (DPA).

AP-60 Public Housing – 91.220(h)

Introduction

Kalamazoo does not have public housing.

Actions planned during the next year to address the needs to public housing

N/A

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

N/A

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

N/A

Discussion

N/A

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

Introduction

The City of Kalamazoo continues to invest future federal funds to projects providing benefits to very low and low income persons who are homeless or have special needs. During the public outreach process, the city reconfirmed that homelessness is a major issue the community faces. For this reason, the city will allocate federal funds to the Continuum of Care and will give priority to affordable housing projects that provide housing units to homeless persons.

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

The goals and actions for reducing and ending homelessness including reach out to homeless persons and assessing their individual needs are as follow:

Housing Resources, Inc. and Goodwill Industries sponsor a weekly Community Housing Information Hour.

Participating organizations include but are not limited to the Department of Health and Human Services, and Kalamazoo Community Mental Health. The services include coordinated entry screening for households experiencing homelessness or at risk of experiencing homelessness, information and referral, and screening and assessment.

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.

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs.

To support outreach efforts to homeless persons, City of Kalamazoo staff and citizens are encouraged to participate in the annual point-in-time (PIT) count. Staff and residents have participated in the count in previous years.

Addressing the emergency shelter and transitional housing needs of homeless persons

Gryphon Place 2-1-1 provides 24 hour information and referral services to residents in need of help to Kalamazoo continuum of care organizations. . These individuals are then presented through a Community Housing Matching Process (CHaMP) within 5 business days and matched with available housing resources that best meets their needs and prioritizes our community's most vulnerable citizens.

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 will continue to provide ESG funds through the Kalamazoo County Continuum of Care to support emergency shelter and transitional housing needs upon funding. Exact outcomes will not be known until an allocation is made from HUD.

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

Moving towards prevention, the Continuum of Care is currently utilizing over 1,100 vouchers to help in the fight to alleviate homelessness in the City of Kalamazoo. The Housing Assistance and Resource Agency (HRI) was given an increase in funding this year from MSHDA ESG monies to help more individuals stay in their housing to bring down the amount of people evicted or foreclosed upon in 2020.

The Continuum of Care funded agencies have also worked diligently in developing a standardized process of entry along the “no wrong door” premise. The new system will consolidate paperwork and essentially create a centralized bureaucracy that will eliminate confusion and remove multiple barriers to entry for those seeking housing in the City of Kalamazoo.

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.

The Kalamazoo County Multi-Purpose Collaborative Body passed a resolution to work cooperatively with the Kalamazoo Continuum of Care to ensure a discharge policy for persons leaving publicly funded institutions or systems of care.

There are strong "guidelines" about discharge from the State hospitals and from the mental health unit at Borgess Hospital. Kalamazoo Community Mental Health and Substance Abuse Services employ hospital liaisons to work with individuals prior to release to create a "person centered plan" which includes next steps after discharge. Kalamazoo Community Mental Health and Substance Abuse Services also funds a jail liaison position to connect people in jail with appropriate mainstream, Medicaid funded mental health services.

The Continuum of Care Planning Policy regarding discharge follows:

Foster Care: Local foster care providers are required to adhere to Michigan's laws, policies, and procedures applicable to adult and child foster care placement and discharge. Young adults (ages 18-21) transitioning out of foster care to independent living are assisted in finding suitable and sustainable living arrangements. They may be provided first month's rent, security/utility deposit, and monies to purchase household goods, food, and supplies. Discharge is guided by a needs assessment and the information collected in a Individual Service Plan.

Health Care: Discharge planning assessment, planning, and follow-up procedures are managed by providing a multi-disciplinary team approach to patients with post-hospital needs. Discharge Planning is the vehicle which moves the patient to the proper level of post-hospital care and/or to the proper facility

The regional Veteran's Administration (VA) serves 14,000 veterans per year, half of whom are from the local area. The hospital 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.

Mental Health: The Kalamazoo County Mental Health and Substance Abuse Services agency follows the dictates of Section 330.1209b of the Mental Health Code, which states that "the community mental health services program will produce in writing a plan for community placement and aftercare services that is sufficient to meet the needs of the individual."

Veterans: The regional Veteran's Administration (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.

The rental assistance through Housing Resources, Inc. and Catholic Family Services may support individuals leaving an institutional setting. In addition, the ESG funds that will be allocated through the Continuum of Care will assist with rapid re-housing and homeless prevention.

Discussion

In addition, Kalamazoo county conducts a 24-hour count of those who are experiencing homelessness in our community annually. The Point-in-Time Count is intended to provide a snapshot of Kalamazoo Count’s homeless population. It is one way to collectively understand the scope and breadth of homelessness in our community. The count is an important effort that ensures the voices of people experiencing homelessness are heard and efforts are made to provide appropriate services. It also helps communities develop more effective plans and measure progress toward ending homelessness.

One year goals for the number of households to be provided housing through the use of HOPWA for:	
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 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

Recognizing that Zoning can serve as a barrier to housing options and affordability, the City of Kalamazoo is undertaking a Zoning Code rewrite and an update to the Zoning Map. These changes are designed to increase the quantity and location of housing types throughout the City.

The City’s existing Zoning Ordinance 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.

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. 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.

Strategy to Remove or Ameliorate the Barriers to Affordable Housing

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 City of Kalamazoo's code enforcement and anti-blight effort is funded with CDBG. One of the enforcement teams' main purposes is the identification and resolution of blighted housing units, which can be made available for low income households, thereby increasing the number of affordable housing units in the City.

The City of Kalamazoo has also provided CDBG funding to the Local Initiatives Support Corporation for capacity building and technical assistance of housing, Community Housing Development Organizations and/or neighborhood-based nonprofit organizations operating within Kalamazoo. The capacity and productivity of these organizations are important elements in addressing current barriers to the provision of affordable housing.

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 over the five year period of the Consolidated Plan are:

- Focus CDBG funding on substandard housing and/or deferred maintenance of affordable housing units, particularly in the Eastside, Edison and Northside Neighborhoods.
- Pilot a housing repair program for low-income homeowners that receive code violations.

- Lead Hazard Removal. The City of Kalamazoo has been awarded a Lead Based Hazard Reduction grant. Purpose is to identify and control lead based hazards. Focus is on homes with children under six year of age.

Discussion

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 PY2020 are:

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

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.

The City of Kalamazoo will continue to support development for PY2020 as follow:

- 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 recognizes that the needs of Kalamazoo residents extend beyond housing and infrastructure. These needs include reducing lead based paint hazards, reducing poverty, developing institutional structures, and enhancing coordination between public and private social service agencies. The following is a list of actions that the City of Kalamazoo intends to implement over the next fiscal year to achieve success in addressing the housing and community development needs of low to moderate income residents.

Actions planned to address obstacles to meeting underserved needs

The City recognizes the significance of taking actions to address obstacles to meeting underserved needs, foster and maintain affordable housing, reduce lead-based paint hazards, reduce the number of poverty-level families and enhance the coordination between public and private housing and social service agencies. The paragraphs below address the actions being undertaken by the City.

Actions planned to foster and maintain affordable housing

In PY2020, the City will continue to place an emphasis on affordable housing as part of the competitive grant application process. A total of five nonprofit organizations will receive CDBG and HOME funding to expand new and maintain existing affordable housing. Approximately **\$770,500** (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

Lead based hazards in the City of Kalamazoo remain a significant concern in light of the City's desire to rehabilitate older housing stock to maintain affordable housing. According to the U.S. Census, 89 percent of the owner-occupied and 74 percent of renter-occupied housing in the City was built prior to 1980, and of which, 26 percent of owner-occupied and 12 percent of renter-occupied have children present.

The City of Kalamazoo has been awarded a Lead Based Hazard Reduction grant. Purpose is to identify and control lead based hazards. Focus is on homes with children under six year of age. The specifics of the grant are as follows.

- Grant period is 2020 – 2023
- Grant award is \$1,999,362. We were awarded full amount of request.
- Number of houses - 72 60% homeowner/40% rental
- Grant was written in collaboration with Kalamazoo Neighborhood Housing Services
- Grant uses approximately \$200,000 of future CDBG funding as a match.

The City also continues to include lead hazard reduction strategies into repairs on rental properties inspected under the City Housing Code. The City inspects all rental properties at least once every three years. When potential or existing problems are located, inspectors require appropriate remedial action. In addition to the lead based paint disclosure rule of 1996, the City of Kalamazoo requires its Subrecipients to comply with the September 15, 2000

regulation, “Requirements for Notification, Evaluation and Reduction of Lead Based Paint Hazards in Federally-Owned Residential Property and Housing Receiving Federal Assistance.”

Two single-family homes will be completely rehabbed with PY2020 funds. The removal of lead based paint, if found, will be a requirement of these rehabilitations. In addition, the City plans to utilize **\$100,000 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 three structures will reduce the chances of a household living with lead contamination.

Actions planned to reduce the number of poverty-level families

For PY2020, 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.

Approximately one third of the City lives below the federal poverty. That number increases beyond 50% in several of the core neighborhoods that also have the highest concentration of people of color. The City of Kalamazoo has initiated Shared Prosperity Kalamazoo (SPK) to address poverty. SPK is a bold and ambitious plan to transform our community into a place where every child and every adult thrives and prospers. In 2014, the City Commission voted to make the reduction of poverty, especially among children one of its top priorities. This Commission priority was substantiated by the community through the Imagine Kalamazoo 2025 engagement process and the resulting Strategic Vision and Master Plan. More than 3,500 community voices gave input on the opportunities and challenges the City faced. As a result of those voices the following goals were laid out in the Strategic Vision – Shared Prosperity, Connected City, Inviting Public Spaces, Environmental Responsibility, Safe Community, Youth Development, Complete Neighborhoods, Strength through Diversity, Economic Vitality and Good Governance. Shared Prosperity aligns most closely with the Strategic Goals of Shared Prosperity, Complete Neighborhoods, Youth Development, Strength through Diversity and Economic Vitality.

SPK is guided by a coalition made of an Organizing Committee and goal teams. The Organizing Committee is responsible for convening stakeholders for conversations and accountability around recommendations to meet the goals set forth in the plan. There are three teams each one focusing on a specific SPK goal. The members of the teams include both service providers and residents. They teams are intended to meet 4-6 times a year to share information, actions/programs to be presented to the Organizing Committee. SPK budget, plans and initiatives will have final approval by the City Commission before implementation.

SPK has three goals that work is being planned and implemented on simultaneously. They are; 1) Promote the health growth, development and learning of children 2) Increase access to good jobs; and 3) Promote strong families. SPK also has four targeted populations. They are; 1) Families of color 2) Families at or below poverty level and those not earning a living wage; 3) Families in neighborhoods of concentrated poverty and 4) Individuals with criminal records.

The combination of aspirational goals and community engagement has led SPK to focus on three particular neighborhoods that encompass five census tracts within the city—Eastside, Edison, and Northside—for targeted action projects.

The goals for this Affordable Housing Plan and SPK are closely aligned. Both plans address the following:

- Low to mod income residents
- Low to mod income and racially concentrated areas of the City/Census tracts
- Housing/Found in the Strong Families goal in SPK
- Youth development

The City of Kalamazoo is integrating HUD funding with private funding to address these shared goals.

In addition, the City has an approved Section 3 Preference Policy support local low income businesses and residents, improving their financial stability.

The city will also provide loans to for profit organization willing to partner with the City to address Affordable Housing.

Actions planned to develop institutional structure

The City of Kalamazoo has strengthened relationships in the past few years with local funders and nonprofit organizations. A more coordinated effort to project implementation is a priority discussed among the major stakeholders in the community. To that end, the Program Officers Network of Kalamazoo was organized. The Director of Community Planning and Economic Development will attend their meetings during the 2020 program year. The goal is to allow foundations like Kalamazoo Community Foundation, the Gilmore Foundation and Arcus Foundation to work together towards improving grant coordination and the local distribution of grant funds.

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 host bi-monthly meetings with the core CDBG-eligible neighborhoods during PY2020. 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 PY2020 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 priority needs to 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 Southcentral Michigan Community Action Agency. Community Planning and Economic 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. 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.

The Continuum of Care Director has also empowered the Allocations and Accountability Team to be a much more vocal and essential team to the health and sanctity of the operation of the Continuum. This will come with voting members being able to directly inquire to the leadership of the funded agencies about operations and performance and then holding the agencies accountable for their actions. This is also the impartial team that decides how Continuum of Care funding received from HUD will be allocated to the funded agencies or any others applying for funding.

Discussion

As the City continues to develop public policy to address these needs, it will keep close communication with internal and external stakeholders, participate in conferences and staff development, and provide assistance to assure coordination among private and governmental health, mental health and service agencies.

AP-90 Program Specific Requirements – 91.220(I)(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(I)(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.

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	\$120,680
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:	\$120,680

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.	76%

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.

- **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.

- **Amount of Repayment and Net Proceeds:**

Net proceeds are defined as the sale price minus superior non-HOME loan repayments and any closing costs. If there are no net proceeds or insufficient proceeds to recapture the full amount of HOME investment due, the amount subject to repayment must be limited to what is available from net proceeds.

- **Homebuyer Agreement**

Recapture of the HOME investment and forgiveness over time is required to be detailed in the Homebuyer Agreement signed by the homebuyer and recorded on a deed restriction with the County Clerk/Register of Deeds.

3. **A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? 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(I)(4)

1. **Include written standards for providing ESG assistance provided the City is funding at a later time during the year.**

HUD did not allocate funding for this program for PY2020. However, \$20,000 (CDBG) is to be awarded to CoC for administrative support and 30,000 to Ministries with Communities for homeless assistance.

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 as available will be awarded 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.

2. **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 24 hour information and referral services to residents in need of help to Kalamazoo continuum of care organizations.* . These individuals are then presented through a Community Housing Matching Process (CHaMP) within 5 business days and matched with available housing resources that best meets their needs and prioritizes our community's most vulnerable citizens.

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.

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).**

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. For PY2020 the City of Kalamazoo did not receive funding for ESG. However, the City provided fund Local Initiatives Support Corporation in the amount of 20,000 through its CDBG allocation.

5. **Describe performance standards for evaluating ESG.**

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 Subrecipient'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.

Discussion

For program year 2020 the Department of Housing and Urban Development did not fund Emergency Solutions Grant (ESG).



City Commission Agenda Report

City of Kalamazoo

Date: **3/2/2020**

Item: **F.13.**

TO: Mayor Anderson, Vice Mayor Griffin, and City Commissioners

FROM: James K. Ritsema, City Manager
Reviewed by: Steve Vicenzi, Management Services Director/CFO
Prepared by: Jennifer Clark, Budget and Accounting Division Manager

DATE: March 2, 2020

SUBJECT: Approval of 2019 Budget Amendments

RECOMMENDATION:

It is recommended that the City Commission approve the attached schedule of amendments to Fiscal Year 2019 budgeted appropriations:

- Decrease General Fund Budget by \$149,000
- Increase Capital Improvement Budget by \$213,000
- Increase Water Fund Budget by \$1,730,000

BACKGROUND:

The City's Budget Policies and State law require that the City's legislatively appropriated expenditures be adequate to cover actual expenditures. Based on final expenditures, the City recommends the following adjustments.

RECOMMENDATION:

General Fund (101) - Reduce Appropriations by \$149,000.

The reduction in the General Fund (101) budget is the net result of:

1) The City's 2019 Adopted General Fund Capital Outlay included \$215,000 in Capital Outlay eligible for General Obligation Bond Funding. To comply with bond requirements, projects were swapped between the General Fund and Capital Improvement Fund resulting in a net decrease of \$90,000 in expenditures to the General Fund.

2) The City Commission adopted an amendment to utilize contingency funds for the

Community, Planning, and Economic Development departments relocation to the Rose Street property. This included \$59,000 originally included as a transfer to the Capital Improvement Project Budget related to the property rent. The CPED 2019 Adopted Budget had adequate funding for rental property appropriations and did not require this additional budget.

3) The General Fund reduced the General Fund Capital Outlay Budgets for Public Safety and Public Services by \$57,000 and increased the Transfer to Capital Improvement Fund by \$57,000 to fund project costs in capital projects. The net impact to appropriations for this transfer is \$0.

Capital Improvement Fund (495) - Increase Appropriations by \$213,000.

The reduction in the Capital Improvement Fund (495) budget is the net result of:

4) Certain appropriations adopted as Capital Outlay in the General Fund (101) were transferred to the Capital Improvement Fund (495) to allow for better tracking of total project costs and tracking of bond funding. As a result of these transfers, the Strategic Operations Center project increased by \$62,000 and Fleet Heavy Equipment increased by \$210,000 partially funded by the project swap with the General Fund listed in 1) above.

5) Reduction of \$59,000 originally included as a transfer in from General Fund and expenditure for the rent portion of the CPED Rose Street Relocation and Renovation project. As discussed in 2) above, funding for the additional rent was able to be absorbed in the departments 2019 Adopted budget.

Water Fund (591) - Increase Capital Improvement Project Appropriations by \$1,730,000.

The increase in appropriations is funded by the State of Michigan Drinking Water Revolving Fund (DWRf) Program for the Parchment Lead Services Project. The DWRf bond was previously approved by the City Commission, but the budget amendment was not requested at that time. Amending the budget will allow the Water Fund (591) resources to be utilized for additional capital projects in 2019 and 2020.

See the attached Budget Transfer listing for additional detail of these above transfers.

INFORMATIONAL:

Private Donations & Contributions - Under \$25,000

In addition to the above recommendations, the City's Budget Policies require that we inform the City Commission of grants and donations under \$25,000 that are accepted by the City Commission. We informed the City Commission in August 2019 of \$65,366 of Grants and Donations accepted in 2019. Since that date, an additional \$28,728 has been accepted for a total amount of \$94,094 in 2019. A complete list of grants and donations accepted in 2019 can be found in the attachments to this document.

In addition, the City Commission approved the fundraising for donations for the Bronson Park Improvement project in February 2017. In 2019, \$550,917 of donations was transferred from the Private Donations Fund (253) to the Capital Improvement Fund (495) to fund the Bronson Park Improvements.

Water and Wastewater Contributions in Aid of Capital (CIA)

The City's Budget Policies also require that we inform the City Commission of contributions in aid of capital (CIA) in excess of the anticipated budget. The contributions increase the appropriations of the capital improvement plan in the Water and Wastewater funds. We informed the City Commission in August 2019 of \$78,997 of CIA received to date in 2019. Since that date, an additional \$195,484 has been accepted for a total amount of \$274,481 in the City's Water Fund. There have been no CIA contributions in excess of budget in Wastewater. A complete list of CIA by project in 2019 can be found in the attachments to this document.

STRATEGIC VISION ALIGNMENT:

Relevant Priority Based Budgeting Program (program name):

Annual Budget Preparation

Strategic Goal Impact:



Good Governance- Ensuring the City organization has the capacity and resources to effectively implement the community's Strategic Vision in a way that is sustainable over the long term.

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

Inform (one-way conversation) – no feasible alternatives available due to legal/regulatory restrictions, standards and best practices, or resource limitations; the community will be made aware of the project.

FISCAL IMPACT:

The recommended changes in appropriations will impact the planned use of the respective fund reserves as follows:

General Fund (101) - Reduce planned use of Working Capital and Contingency Reserves by

\$149,000.

Capital Improvements Fund (495) - No impact to reserves. Appropriations are funded by transfers from the General Fund from previously budgeted capital outlay.

Water Fund (591) - No impact to working capital as appropriations are funded by the proceeds from the DWRF bond. This recommendation will allow the Water Fund to continue to utilize adopted appropriations for the projects in the Adopted Capital Improvement Plan. Note, the Water Fund will be required to pay back the proceeds as a long term debt obligation and the approval of this debt obligation was previously approved by the City Commission in 2019.



2019 Budget Adjustment Tracking
2019 YEAR END BUDGET AMENDMENTS

Department	Fund #	Fund Name	Funding Account Description	Expenditure Account Description	Amount	Description
Public Safety	495	Capital Improvement Fund	Bond Funding	Strategic Operations Center - Building Improvements	15,000	Swapped bondable capital outlay budgeted in the 2019 General Fund Budget with a project in the Capital Improvement Fund that wasn't bondable. The net is a \$90,000 positive impact to the General Fund's working capital for capital that can be paid by the City's' bonds.
Public Services	495	Capital Improvement Fund	Bond Funding	Fleet Heavy Equipment - Vehicular Equipment	200,000	
Information Technology	101	General Fund	Working Capital	Transfer to Capital Improvement Fund	125,000	
Public Safety	101	General Fund	Working Capital	Public Safety Capital Outlay	(15,000)	
Public Services	101	General Fund	Working Capital	Fleet Capital Outlay	(200,000)	
Public Services	591	Water	DWRF Proceeds	Construction Costs	1,730,000	Increase Water 2019 CIP budget for the loan proceeds received from the DWRF bond.
CPED	101	General Fund	Contingency Reserves	Transfer to Capital Improvement	(59,000)	CPED Lease adjustment was not needed out of Contingency as annual rental expenses were already budgeted.
CPED	495	Capital Improvement Fund	CPED Rose Street Renovations - Transfer from General Fund	CPED Rose Street Renovations - Renovation Expenses	(59,000)	CPED Lease agreement was budgeted in the Capital Improvements Fund in error.
Public Safety	101	General Fund	Working Capital	Capital Outlay	(47,000)	Transfer from Public Safety's capital outlay to the Strategic Operations Center capital improvement project for renovations to the Strategic Operations Center budgeted in the General Fund in
Public Safety	101	General Fund	Working Capital	Transfer to Capital Improvement	47,000	Transfer from Public Safety's capital outlay to the Strategic Operations Center capital improvement project for renovations to the Strategic Operations Center budgeted in the General Fund in
Public Safety	495	Capital Improvement Fund	Transfer from General Fund (From Reduction in KDPS Capital Outlay)	Strategic Operations Center - Building Improvements	47,000	Transfer from Public Safety's capital outlay to the Strategic Operations Center capital improvement project for renovations to the Strategic Operations Center budgeted in the General Fund in
Public Services	101	General Fund	Working Capital	Capital Outlay	(10,000)	Transfer from Public Services capital outlay to the Fleet Heavy Equipment project to provide remaining funding required for the heavy equipment purchased in 2019.
Public Services	101	General Fund	Working Capital	Transfer to Capital Improvement	10,000	Transfer from Public Services capital outlay to the Fleet Heavy Equipment project to provide remaining funding required for the heavy equipment purchased in 2019.
Public Services	495	Capital Improvement Fund	Transfer from General Fund (From Reduction in Public Services Capital Outlay)	Fleet Heavy Equipment - Vehicular Equipment	10,000	Transfer from Public Services capital outlay to the Fleet Heavy Equipment project to provide remaining funding required for the heavy equipment purchased in 2019.
					1,794,000	

FUND TOTALS

101	GENERAL FUND	(149,000.00)
495	CAPITAL IMPROVEMENT	213,000.00
591	WATER	1,730,000.00
Grand Total		<u>1,794,000.00</u>



**Grants & Donations Accepted by City Managers Office Under \$25,000
For the Year Ended December 31, 2019**

Donor/Grantor	Grant Name	Amount
Irving S Gilmore Foundation	Youth Strategy	15,000.00
Suzanne Moorian Memorial	KDPS K9 Team	1,750.00
Lake Michigan Credit Union	Cookie Oven for Morale	304.59
Fifth Third Bank	MLK Day of Service	2,000.00
Bohannon	KDPS K9 Team	525.75
LISC	Emergency Warming Shelter	5,000.00
US Department of Justice	2018 Bullet Proof Vest Grant	6,385.63
Irving S Gilmore Foundation	Emergency Warming Shelter	6,700.00
Kalamazoo Community Foundation	Emergency Warming Shelter	6,700.00
Tatoos by Raven	KDPS K9 Team	1,000.00
Kalamazoo Community Foundation	2019 SuperRec Youth Development Program	15,000.00
Kalamazoo Community Foundation	2019 SuperRec Youth Development Program	5,000.00
Mid-Year Subtotal 2019		65,365.97
Schupan & Sons	Swim for Success	10,000.00
Sunrise Rotary Grant	Rose Veterans Memorial Park	6,320.00
Target	Bridging Opportunities	2,000.00
The Heroes Operation	KDPS K9 Team	714.00
Kalamazoo Youth Development Network	Youth Program Quality	1,700.00
Selection Connection	KDPS K9 Team	1,575.00
Section Connection	KDPS K9 Team	2,919.00
Collin Rose Run	KDPS K9 Team	3,500.00
Year-End Subtotal 2019		28,728.00
TOTAL		94,093.97

Previously Reported in Error and Removed:

Team Dog Style LLC	KDPS K9 Team	500.00
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**Contributions in Aid of Capital in Excess of Budget Projections
For the Year Ended December 31, 2019**

Project	Project Type	Project Name	Contributions in Aid
wat0500290	Water Mains	N 9TH ST - AUTUMN GROVE	3,500.00
wat0500304	Water Mains	WMU BTR PHASE II	21,510.00
wat0500309	Water Mains	400 S ROSE	5,265.00
wat0500311	Water Mains	CD12 - 180 E WATER ST	10,636.00
wat0500312	Water Mains	VOK APARTMENTS	4,863.00
wat0500324	Water Mains	APPLEGATE POINT	13,874.00
wat0500325	Water Mains	TURNING STONE	10,506.00
wat0500328	Water Mains	SCHUPAN ALUMINUM	8,843.00
Mid-Year Subtotal 2019			78,997.00
wat0400225	Hydrants	4510 W KL Ave	4,225.00
wat0400226	Hydrants	1100 W Cork St	2,226.00
wat0500309	Water Mains	400 S Rose - Additional Paymen	397.00
wat0500313	Water Mains	KPS Transportation Building	5,582.00
wat0500313	Water Mains	KPS Transportation Building	2,218.00
wat0500315	Water Mains	Kalamazoo Humane Society	4,654.00
wat0500326	Water Mains	Gilmore Farms Phase 2	4,407.00
wat0500330	Water Mains	Bronson Medical Office	12,833.00
wat0500330	Water Mains	Bronson Irrigation/805 John St	2,010.00
wat0500331	Water Mains	Fletchers/Texas Twp	7,981.00
wat0500332	Water Mains	6400 W Main	5,088.00
wat0500333	Water Mains	WMU South Neighborhood Project	10,369.00
wat0500335	Water Mains	8566 Krum/Kal Outdoor Gourmet	4,659.00
wat0500336	Water Mains	2839 Full Circle	3,919.00
wat0500339	Water Mains	Drive and Shine	8,534.00
wat0500340	Water Mains	3258 Stadium Parkway	1,721.00
wat0500341	Water Mains	9562 M-89 Gull Lake Schools	1,270.00
wat0500344	Water Mains	Forman Glass	3,654.00
wat0500345	Water Mains	Kalamazoo Creamery	6,339.00
wat0500347	Water Mains	Bronson/West Main Primary	2,200.00
wat0500348	Water Mains	Bronson Primary Care/Richland	6,057.00
wat0500350	Water Mains	Phoenix High School	1,833.00
wat0500368	Water Mains	26th St Water Main Ext	882.00
wat0600423	Large Service Connections	4921 S Sprinkle Rd	5,576.00
wat0600423	Large Service Connections	4921 S Sprinkle Rd	10,379.00
wat0600429	Large Service Connections	3300 Research Way	2,444.00
wat0600431	Large Service Connections	521 E Mosel/Suite A,B,C,D	3,684.00
wat0600434	Large Service Connections	246A E Michigan Ave	4,805.00
wat0600438	Large Service Connections	1030 Portage	4,760.00
wat0600439	Large Service Connections	Kalsec Farmhouse Early Learnin	1,992.00
wat0600441	Large Service Connections	2314 Miller	797.00
wat0600443	Large Service Connections	Gordon Water	563.00
wat0600445	Large Service Connections	400 John St - Bronson Lab	3,692.00
wat0600446	Large Service Connections	8774 N 32 St	6,121.00
wat0600447	Large Service Connections	427 E Alcott	3,548.00
wat0600448	Large Service Connections	303 N Rose/Hilton Hotel	10,037.00
wat0600451	Large Service Connections	WMU Power Plant/1801 Stadium D	1,214.00
wat0600452	Large Service Connections	1117 Summit Ave	4,615.00
wat0600454	Large Service Connections	Stonehenge #5	2,017.00
wat0600457	Large Service Connections	3652 Allian	1,917.00
wat0600458	Large Service Connections	3717 Cork/Avid Hotel	7,072.00
wat0600460	Large Service Connections	Bronson/Texas Corners Primary	3,856.00
wat0600461	Large Service Connections	Bronson Primary Care/S 9th St	5,783.00
wat0600462	Large Service Connections	8936 East K Ave/SWT Fire Servi	4,679.00
wat0600466	Large Service Connections	563 Portage St	2,875.00
Year-End Subtotal 2019			195,484.00
TOTAL			274,481.00



City Commission Agenda Report

City of Kalamazoo

Date: **3/2/2020**

Item: **F.14.**

TO: Mayor Anderson, Vice Mayor Griffin, and City Commissioners

FROM: James K. Ritsema, City Manager
Reviewed by: Rebekah Kik, Director, Community Planning and Economic Development
Prepared by: Rebekah Kik, Director, Community Planning and Economic Development

DATE: March 2, 2020

SUBJECT: Acceptance of Eleven Properties from Tax Reversion

RECOMMENDATION:

It is recommended that the City Commission approve the transfer of the eleven properties to the City of Kalamazoo.

BACKGROUND:

Vacant parcels and the need for housing infill is a daily struggle for Kalamazoo residents. As the City's housing strategy is developed through the Department of Housing and Urban Development (HUD) Consolidated Plan and the Shared Prosperity Kalamazoo Plan, strategies to prevent displacement have been thoughtfully explored. One such way is through the construction of affordable housing in our neighborhoods replacing years of land demolished and vacated through disinvestment, redlining, and neglect.

For the past two years, Community Planning and Economic Development has partnered with Kalamazoo Neighborhood Housing Services (KNHS), Local Initiatives Support Corporation and the Kalamazoo Count Land Bank to begin working toward a single family housing infill strategy.

In 2018 and 2019, the Eastside Gateway homes were constructed with the Land Bank. Each home is now occupied with a new homeowner. As the goals for 2019 took shape, four more homes were built in Edison, Vine, and Douglas neighborhoods. The Land Bank agreed to sell parcels to non-profit entities for \$500 each. Each of these homes are now sold or under option for sale to residents.

The housing strategy for 2020 includes eight homes to be constructed by KNHS. In January 2020, Community Planning and Economic Development staff identified 11 tax reverted parcels that could be useful to meeting this goal:

- 517 Lulu
- 110 Herbert
- 116 Herbert
- 1511 Princeton
- 441 Bessie
- 1358 N Rose
- 1015 Albert
- 510 Phelps
- 521 Mabel
- 1702 Hays Park
- 3408 Hoover

These are parcels that have been through the tax foreclosure process and did not sell at auction. At the end of the tax foreclosure process, the City has the right of first refusal on these tax-foreclosed properties not sold at auction by the Kalamazoo County Treasurer.

As the need for housing is critical in every neighborhood, the consideration of the eleven vacant parcels are an important part of the housing strategy.

STRATEGIC VISION ALIGNMENT:

Relevant Priority Based Budgeting Program (program name and description):

Strategic Goal Impact:



Complete Neighborhoods - residential areas that support the full range of people's daily needs

Discussion

These properties will help address the identified need for infill housing.

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

This is an internal review of goals and action items based on the adopted Master Plan and Neighborhood Plan

Discussion:

Engagement/Communication Tools

FISCAL IMPACT:

The fiscal impact includes a \$1.00 transfer fee to accept the properties. The County will charge the city for back taxes at settlement, but this would happen whether the City accepted the properties or if the properties were transferred to the County Land Bank.

Additionally, selling the parcels for side lots and the construction of new homes on the parcels will bring families into homeownership and the property back on the tax rolls from previously vacant status.

2B RECEIVED
2019 DEC 30 PM 4: 00
COUNTY OF KALAMAZOO

2019-039285 12/30/2019 04:13:20 PM
Pages: 1 of 2 QC
KALAMAZOO COUNTY TREASURER
Timothy A. Snow County Clerk/Register Kalamazoo County, MI


QUIT CLAIM DEED

THIS QUIT CLAIM DEED, executed this 30th day of December, 2019 by first party, Grantor, Kalamazoo County Treasurer, whose address is 201 W. Kalamazoo Avenue, to second party, City of Kalamazoo CP&D, whose office address is 241 West South Street, Kalamazoo, MI 49007.

WITNESSETH, That the said first party, for good consideration in the amount of \$1.00 DOLLARS paid by the said second party, the receipt whereof is hereby acknowledged, does hereby remise, release and quitclaim unto the said second party forever, all the right, title, interests and claims which the said first party has in and to the following described parcels of land, and improvements and appurtenances thereto in the City of Kalamazoo, County of Kalamazoo, State of Michigan to wit:

See Attached List

IN WITNESS WHEREOF, The said first party has signed and sealed these presents the day and year first above written. Signed, sealed and delivered in presence of

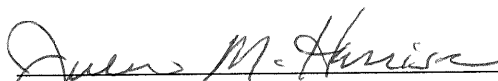


Mary Balkema
Kalamazoo County Treasurer

State of Michigan
County of Kalamazoo

On December 30, 2019 before me, appeared Mary Balkema, Kalamazoo County Treasurer, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of the which the person acted, executed the instrument.

WITNESS my hand and official seal



Signature of Notary
Notary Public, Van Beuren
Acting in the County of Kalamazoo
My Commission Expires: 2-11-25

EXEMPT PURSUANT TO MCL 207.505 (h) (i) and MCL 207.526 (h) (i)

DRAFTED BY
Mary Balkema
201 W. Kalamazoo Avenue
Kalamazoo, MI 49007

RETURN RECORDED DOCUMENT AND TAX
BILLS TO: Grantee

06-09-489-005

BEG AT A PT ON THE S LI OF LULU STREET 10R W OF THE W LI OF WESTNEDGE AVENUE; TH S 115.5FT PARALLEL WITH WESTNEDGE AVENUE; TH W 49.5FT; TH N 115.5FT TO THE S LI OF LULU STREET; TH E 49.5FT TO BEG.

Commonly Known as 517 Lulu

06-10-331-050

HIGHLAND PLAT E 25 FT OF LOTS 51-52

Commonly Known as 110 Herbert Street

06-10-331-092

HIGHLAND PLAT LOT 92

Commonly Known as 116 Herbert Street

06-10-350-207

DUDGEON & COBBS SUBDIVISION OR ADDITION ON SECTION 10 & 9. THE NORTH 1 ROD OF LOT 208. THE SOUTH 2 RODS OF LOT 207

Commonly Known as 1511 Princeton

06-10-365-215

DUDGEON & COBBS SUBDIVISION OR ADDITION ON SECTION 10 & 9, E 43 FT OF LOT 227.

Commonly Known as 441 Bessie

06-10-385-002

UPJOHN LAND COMPANYS ADDITION LOT 2 BLK 10

Commonly Known as 1358 N. Rose Street

06-14-209-097

HAZARDS SUBDIVISION OF SECTION 14 N 44 FT OF LOT 97.

Commonly Known as 1015 Albert Avenue

06-14-271-007

PHELPS ADDITION; THE NORTH 38.18FT OF THE WEST 97.68FT OF LOT 20.

Commonly Known as 510 Phelps

06-16-243-032

BUSH & PATERSONS 2ND ADDITION; THE WEST 44FT OF LOT 32

Commonly Known as 521 Mabel

06-23-471-825

REVISED PLAT OF HAYS PARK LOT 825. ALSO THE N 1/2 OF VACATED ALLEY LYING S OF ABOVE DESCRIBED PROPERTY.

Commonly known as 1702 Hays Park

06-32-109-065

G59-63 ASSESSORS PLAT OF OAKLAND PARK LOT 65

Commonly Known as 3408 Hoover

2019-039285 12/30/2019 04:13:20 PM
Pages: 2 of 2 QC
KALAMAZOO COUNTY TREASURER
Timothy A. Snow County Clerk/Register Kalamazoo County, MI

