



Putting our “Homes for All” millage tax dollars to work

KALAMAZOO COUNTY ANNUAL HOUSING REPORT | 2022



Goals

1

Increase Rental Opportunities

2

Ensure Housing Supply Is
Built to Meet Demand

3

Remove Barriers to Acquiring
and Keeping Homes

4

Rehab Existing Housing Stock

5

Embrace Housing as a Workforce
Development Strategy

6

Increase and Coordinate
Supportive Services



From our Housing Director:

In Kalamazoo County, the need for affordable housing options is critical, as many individuals and families struggle to find housing that meets their needs and budget. With the support of the “Homes for All” millage that was generously approved by Kalamazoo County voters in 2020, our mission is to address the shortage of affordable housing in our community, a problem that has limited economic growth, prevented upward mobility, and hindered equity.

According to the W.E. Upjohn Institute, we currently have a **shortage of over 7,750 housing units for low to middle-income tenants** in townships and cities. The funds from the millage alone are not enough to fill this demand, so we have leveraged additional funds from sources such as state tax credits, bank loans, private equity, and organizations like LISC and the Foundation for Excellence. From the \$6.7 million spent from the millage in 2022, we were able to leverage an additional \$108 million in outside funds.

Our focus has been on filling gaps in the market while maintaining a commitment to affordable housing. We have worked to expand the capacity of BIPOC developers to play a larger role in contracts and construction work. We have also worked with applicants to develop their housing projects and to ensure those projects meet the needs of the community.

The “Homes for All” millage funding process is clearly mapped out:

- 1 We open a portal for funding applications once a year in every category, which is largely driven by the housing study.
- 2 The developer applies via the portal, and we recommend projects that cross the various categories of need and are located in a variety of areas across the county.
- 3 The County Commission scores the portal applications and awards funding.

We are proud to say that taxpayer’s money is being well spent, and the progress we have made thus far is transparent, data-driven, and begins to address the number one fair housing complaint — discrimination based on disability.

To showcase the success of the program, we have partnered with other funders to enable Issue Media Group to produce stories of successful housing projects. We have included a sampling of the amazing work we have accomplished during the first year.

We will continue to do this important work for the next seven years until the millage comes up for renewal. We look forward to working with you, hearing your feedback, and making you proud of your vote to support the “Homes for All” millage.



Sincerely,

Mary Balkema
Kalamazoo County Housing Director

Development portal streamlines housing project applications

An online portal has been established for an easy and transparent approach to connect housing developers and nonprofit organizations to funding opportunities from the Kalamazoo County Housing Millage.

The portal is for developers of projects that want funding through the county's new Housing Millage, which voters approved in 2020. It's also available to collate proposals for funding from other area sources. The projects are vetted by various members of the community development and housing staff teams.

This not only helps the county allocate its millage funds, but also helps our municipal partners increase the number of projects under consideration so that they can utilize some of the federal funding available through the American Rescue Plan Act.

The county expects to allocate around \$6.7 million a year depending on the taxable valuation for the County. That money is allocated to Multi-Family, Single-Family housing projects, Supportive Services, Creative Projects, and Owner-Occupied Housing Rehabilitation work. The county reported that the grants, loans, and tax breaks helped support about \$100 million in area projects.

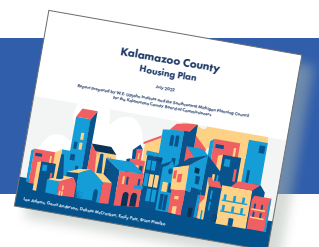
Balkema said developers have to be creative to come up with projects that address the need for more affordable housing. High construction costs still remain a hurdle.

"The quotes we're getting back for the development of single-family homes are high," said Balkema.

"It is hard to build housing to scale with the high cost of construction. It is estimated that 7,750 new housing units are needed to appropriately house the new households forming or looking to locate in the county," said John Taylor, 2023 Chair of the Kalamazoo County Board of Commissioners.

Speaking about requests for funding from the county Housing Millage, Taylor said, "We need creativity, innovation, private equity, tax credits, and philanthropy now more than ever, and we are looking forward to evaluating the submitted proposals so the Board of Commissioners can award funding in 2023."

Visit bit.ly/kzooplan to view the 2022 Kalamazoo County Housing Plan Report.



AFFORDABLE HOUSING CONTINUUM				
Income	\$20,000 AND BELOW	\$20,000 TO \$34,999	\$35,000 TO \$49,999	\$50,000 TO \$74,999
Population	People experiencing homelessness; people with disabilities and/or service needs; people exiting incarceration	Low-income working people; people with episodic housing crisis and service needs	Low-income working people; people with episodic housing crisis and service needs	People accessing market housing but limited by locational choice
Total Households	14,812	15,606	13,780	18,322
Percent of all BIPOC Households in this Level	26%	19%	14%	14%
Percent of all White Households in this Level	12%	14%	13%	18%
Housing Type	Unsheltered, Shelters, Supportive Housing			High Market Rental and Homeownership
	Section 8 Vouchers	Homeownership Assistance		
	Low Market Rental, Naturally Occurring Affordable Housing, Workforce Housing			
		Community Land Trusts, Resident Ownership, Cooperative Ownership		

KNHS partners with the City of Portage on single family homes

In 2019, Kalamazoo Neighborhood Housing Services, Inc. (KNHS), in partnership with the Home Builders Association of Western Michigan (HBA), created the Kalamazoo Attainable Homes Partnership (KAHP) to build new homes for low to moderate-income, first-time homebuyers in the City of Kalamazoo. With the passing of the Kalamazoo County Housing Millage, KNHS was able to expand the program countywide in 2022.

“The KAHP is an innovative partnership with area funders, like Kalamazoo County, and builders that addresses the need for more affordable housing in Kalamazoo County,” states Beth McCann, KNHS Executive Director. “Workforce housing is needed in all areas of Kalamazoo County. We are excited to build two homes in Portage as part of this program.”

KNHS is building two homes on Oakland Drive. One of the homes, built by Martz Home Builders, is a three-bedroom walk-out with an attached garage and the second home, built by Louwaert Custom Homes, is a two-bedroom with an attached garage. “The HBA is proud to be part of this program. The builders and industry champions that help us build these homes understand how important owning a home is and the positive change it can make in someone’s life,” said Aaron Hovestadt, HBA President.

In 2022, Kalamazoo County awarded \$600,000 to KNHS to build these homes. “These homes fit into the fabric of

“Taking two vacant parcels and providing new homes for two middle-income families — this is what public support for workforce housing looks like in Portage. Collaborative leadership from the City of Portage and Kalamazoo County will get us through this crisis in much better shape.”

— Pat McGinnis, City Manager — City of Portage, Michigan

the neighborhood and will serve our hard-working families for decades,” said Balkema.

“Taking two vacant parcels and providing new homes for two middle-income families — this is what public support for workforce housing looks like in Portage. Collaborative leadership from the City of Portage and Kalamazoo County will get us through this crisis in much better shape,” stated Pat McGinnis, Portage City Manager.

To qualify for a KAHP home, prospective homebuyers must attend a KNHS homebuyer education course and participate in one-on-one coaching to get them mortgage ready and be 100% or lower of the area median income. KNHS is the only housing counseling agency in Kalamazoo County certified by the U.S. Department of Housing and Urban Development. All coaches are HUD-certified, meaning they are experts in preparing clients to be homeowners.



LEFT: Portage Mayor Patricia Randall, Kalamazoo County Housing Director Mary Balkema, and 2023 Kalamazoo County Board of Commissioners Chair John Taylor reviewing a building plan, and (RIGHT): outside a home being built in Portage.

Photo credit: Tony Dugal

Reach Sober Living, Inc. benefits from Millage Funds

After being awarded the millage funding, Reach Sober Living was also able to increase salaries. It is imperative for the non-profit sector to be able to provide fair wages.

“Often, because of the lack of finances, it is difficult to retain talent,” said Chris Pompey, Executive Director of Reach Sober Living, Inc. “Thanks to the Housing Millage funding, we have hired two skilled individuals to work with Reach Sober Living, Inc. More specifically, we can pay an adequate wage.”

This work is all about the heart due to the level of intensity of burnout one often faces. Being under-resourced as an organization or underpaid as an employee can lead to high turnover.

“In the past, we have witnessed staff members face the same financial crisis as the individuals we serve. This is a problem we were able to address with the Housing Millage funding. In closing, the millage funds have been essential for the work we do,” said Pompey.

Why does Reach Sober Living exist:

Reach is a place where men receive support in a community setting. A place to build recovery capital while starting a new life free from alcohol and other drugs. All residents commit to abstaining from substance use while participating in outpatient or after completing inpatient drug rehab. Individuals are allowed to stay up to one year, in hopes of being prepared to integrate back into society.



TOP: The Bridge Church Impact Team praying before a day of yard work at the Reach Home. BOTTOM, LEFT: Pfizer's Community Day of Caring partnered with Reach to prep a front porch for staining. BOTTOM, RIGHT: Reach Sober Living home for men in Kalamazoo, MI.

Motel turned to apartments helps reduce homelessness

Long-term housing solutions have been elusive for people living in tents and makeshift shelters, especially those struggling with an array of personal and financial needs.

However, efforts to help took a huge step forward in October 2022 as the Knights Inn Motel at 1211 S. Westnedge Ave. was renovated and opened as 60 subsidized, efficiency-style apartments.

The facility provides fully furnished permanent, affordable studio apartments with a kitchen in each unit targeted at unhoused individuals with very low incomes. Kitchens have also been added to each living unit. Although the facility has 60 rooms, it may accommodate up to 120 people on a two-person per-room occupancy basis.

Apartments are being leased to individuals who have annual earnings of \$18,200 or less, and two-person households with annual earnings of \$20,800 or less. The project hopes to be approved in 2023 for Section 8 funding subsidies through the U.S. Department of Housing and Urban Development.

The LIFT Foundation, a Kalamazoo-based nonprofit organization, spent more than \$8 million to purchase and renovate what was a run-down motel, working with development partners CSM Group, InForm

“Kalamazoo County Housing Millage funding is an invaluable resource that housing providers are immensely fortunate to have. For Lodge House, we were able to expedite the time from the project’s inception to opening by utilizing local funding sources. Not only did the Housing Millage contribute significantly to the construction budget, but it also was an important catalyst to bring other local funding sources along — it was critical in bringing a very important and needed service to the community. Funding gaps always exist in developing affordable housing, but to have Millage funding available as a resource from Kalamazoo County voters, is really a gift.”

— Carole McNees
President, LIFT Foundation

Architecture, and Lockhart Management & Consulting LLC. Contributions have been made by the Stryker-Johnston Foundation, the Kalamazoo Community Foundation, the City of Kalamazoo, LISC Kalamazoo, Kalamazoo County, and charitable individuals.

Support staff are on site 24 hours a day for residents who move in with the trauma of homelessness, unresolved mental health issues, or substance use disorders.



ABOVE: Previously the Knights Inn Motel, the Lodge House is a renovated apartment building with 60 efficiency-style apartments and support services for people who recently were homeless.

Photo credit: Fran Dwight

New housing for seniors brings 70 new units to Northside

The Rev. Addis Moore and members of his church realized about five years ago that the Northside Neighborhood in Kalamazoo needs affordable senior housing.

“We’ve got quite a few older members who are living alone that do not need to be in nursing homes and do not need to be in assisted living,” said the senior pastor of Mt. Zion Baptist Church. “They’re fine. But they’re alone. And if something happens to them, it may be days before someone knows it.”

At the same time, he said, some of them live in sub-par places that are not or should be livable. “It saps from their livelihood and them actually living a fulfilled life all the way to the end.”

In partnership with the Kalamazoo-based Hollander Development Corp. and architectural firm Byce & Associates, Inc., the church plans to build a two-building, 70-unit affordable senior housing complex about two blocks south at the 100 block of E. North St adjacent to the Ecumenical Senior Center.

The \$26 million project is one of several/many projects that has received funding from Kalamazoo County’s new

Housing Millage that focuses on addressing the critical housing shortage. It was awarded \$740,000 from the millage toward construction and development. The project was awarded \$740,000 from the Millage toward construction and development and \$500,000 in housing vouchers.

Each of the 600 to 650 square feet apartments will be one-bedroom and expected to rent for \$243 to \$975 per month including utilities, depending on the income of the tenant.

The project will be on land the church has been acquiring for several years from Kalamazoo County and private sellers, including two church members who formerly lived on a portion of the property.

Each apartment will have access to a patio or balcony according to Michael Flynn, Vice President of Byce & Associates. Possible amenities include a small private dog park, a pocket park for family gatherings, play equipment for grandchildren, a shade pavilion, and arbors.

“The housing project is underway at the same time the Ecumenical Senior Center, which receives financial contributions from Mt. Zion, is planning an expansion of its one-story, 4,000-square-foot building at 702 N. Burdick St. The center is planning to expand its programming for people ages 60 and older to include activities that promote fitness and healthy living,” Flynn said. It will include an outdoor courtyard, a fire pit area, container gardening, and a rooftop terrace.

He said the partnership allows Mt. Zion to work with a seasoned developer who understands how to get all the pieces of the project together, as well as the financing.

“For us, it’s about having a strong community partner who understands the fabric of the neighborhood and how we can integrate our project into it.”

– Jason Muniz, Vice President of Hollander Development





Two three-story buildings on E. North St. will provide more than just 70 high-quality apartments for seniors. Each unit will have access to a patio or balcony, and the housing project will have green space and other amenities catering to them. It's a perfect fit: a community of support services and activities is just next door as the Ecumenical Senior Center expands too.

"For us, it's about having a strong community partner who understands the fabric of the neighborhood and how we can integrate our project into it," said Jason Muniz, Vice President of Hollander Development.

The affordable housing project is part of the church's hope to help transform the Northside Neighborhood. Rev. Moore said he wants to make sure people on the Northside, particularly African-Americans and the churches, are involved in improving the neighborhood.

"You've got a lot of investors and a lot of people looking at and buying places and doing things over here, but we're not reaping the benefit of it," Moore said. "This is done by the community, for the community. That is investing in the community so that we are contributing to making our own community richer."

"This is done by the community, for the community. That is investing in the community so that we are contributing to making our own community richer."

– Rev. Addis Moore, Senior Pastor of Mt. Zion Baptist Church

Of the housing project and other efforts, he said, "We believe it's going to happen, and so we're excited and really hoping to generate more excitement about what is possible, what's going to happen in our community."





The Abbey Family Farm in Pavilion Township used to feed the community. Now it will house the community as the property is turned into 344 residential units in an 11-building apartment complex.

New Pavilion Twp. complex adds 344 units to house 1200 residents

A \$64.6 million multi-family housing development in Pavilion Township will put to use the southernmost portion of a 195-acre property at 5283 East O Ave, located east of Sprinkle Road and bordering the City of Portage.

Construction of 11 buildings with a total of 344 living units has also sparked consideration separately to develop the northern portion of the property for potential commercial or industrial uses.

“It’s a win-win for everybody”

– Scott Knowlton, Partner,
Vice President and Counsel for Westwind Construction

The property was, for decades, the Abbey Family Farm, but the family has since dedicated the farm to the Kalamazoo Community Foundation after failing to find a buyer.

“We stepped in and had a bunch of great meetings with them,” said partner Scott Knowlton, Vice President and Counsel for Grand Haven-based residential developer Westwind Construction. “We proved that we’re worth it, and ultimately they agreed to sell the property to us so we can get developments going on it. It’s a win-win for everybody.”

Called Abbey42, the project is one of several housing projects that received some of the \$7 million in annual funding for countywide housing from Kalamazoo County’s new Housing Millage.

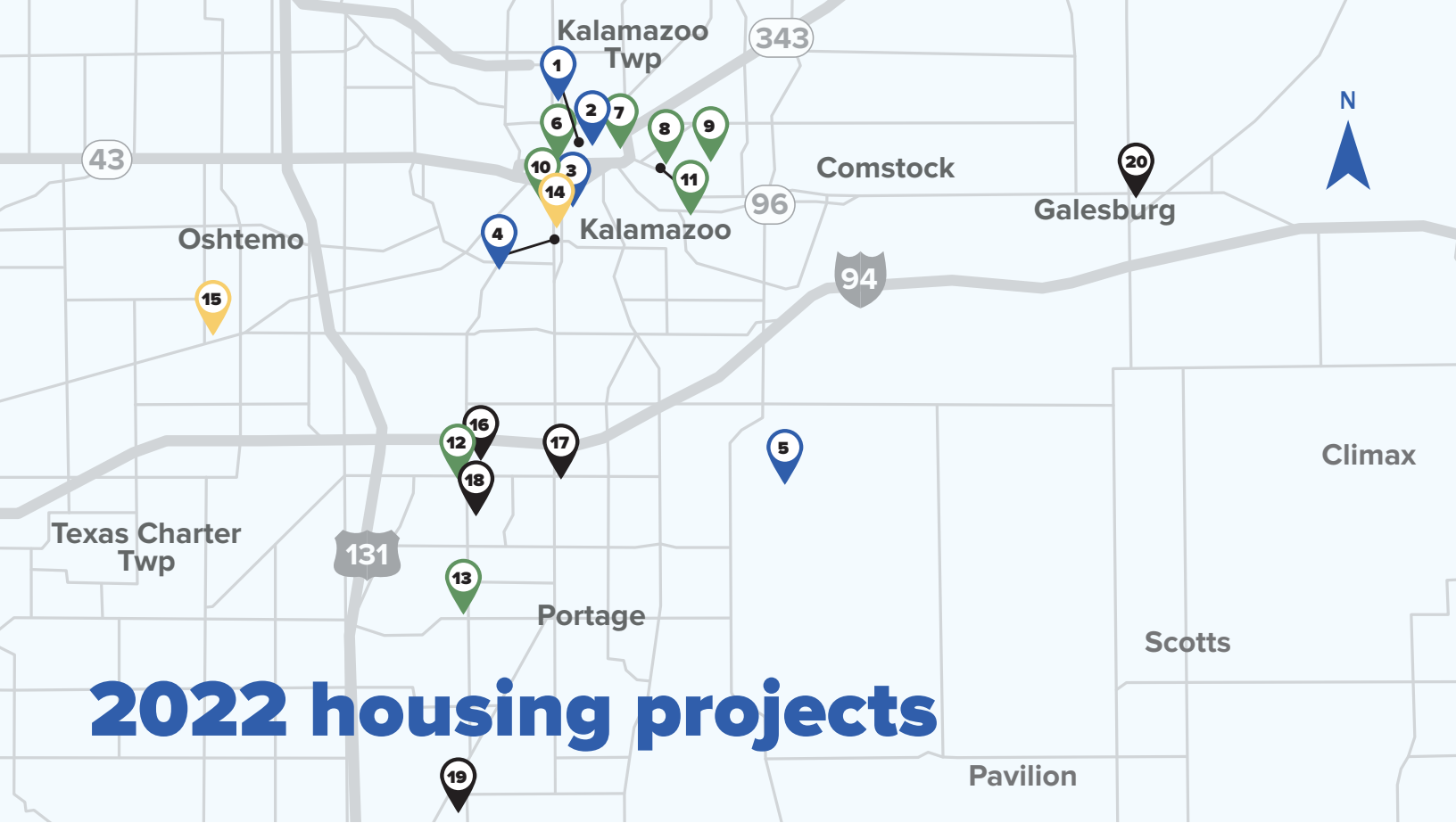
Housing Director Balkema said the company already had primary funding sources and needed further funds to proceed.

Each building in Abbey42 will have 24 to 30 one-, two-, and three-bedroom units. The larger buildings will have studio apartments. Together they are expected to have the potential to house up to 1,232 individuals, starting at rental rates affordable for those earning 80-120% of the area median income.

“I am really looking forward to the completion of this project,” said Balkema. “The Housing Millage invested \$936,000 and leveraged outside money of \$64 million for 344 units of additional housing. That is a big deal!”

The project will include a community center, pool, fitness center, community gardens, and other amenities.

“I would say it’s going to be first-class residences with first-class amenities, with a level of construction that they haven’t seen in a long time,” Knowlton said. “We’re dedicated to quality and I think that people are really going to be shocked by how well we build things.”



2022 housing projects

■ MULTI-FAMILY ■ SINGLE-FAMILY ■ CREATIVE PROJECT ■ REHAB SINGLE-FAMILY

PROJECT NAME AND KALAMAZOO COUNTY LOCATION	TOTAL COST	# OF UNITS
1 BRIDGES Housing Construction Young Kings and Queens 719 N. Burdick St.	\$2,113,304	4
2 Bogan Developments 315 E. Frank St.	\$3,321,506	14
3 Senior Housing 9% Tax Credit Deal 530 S. Rose St.	\$16,735,531	64
4 Lodge House: Converting a Motel to Affordable Housing 1211 S. Westnedge Ave.	\$7,479,804	60
5 Abbey42 5283 E. O Ave.	\$64,636,701	344
6 Ransom Street Single Housing 400 block of Ransom St.	\$416,500	1
7 Ampersee Home Start 700 River St.	\$2,387,460	10
Eastside Framing/Insulation/PreConstruction (4)	\$1,038,643	4
8 1612 Charles Ave.		
9 515 Gayle Ave.		
10 722 W. Cedar St.		
11 216 Foresman Ave.		
City of Portage New Builds (2)	\$480,000	2
12 5916 Oakland Dr.		
13 7905 Oakland Dr.		
14 Layla's Cool Pops 913 S. Westnedge Ave.	\$275,000	4
15 Pinehurst Townhomes 6740 Andover St.	\$14,105,836	97
City of Portage Housing Rehab Expansion (4)	\$442,930	25
16 5713 Deerfield St.		
17 229 E. Milham Ave.		
18 6504 Hampton St.		
19 10714 Oakland Dr.		
20 City of Galesburg scattered sites single-family rehab	\$75,000	7
Homeownership Preservation Partnership (HOPP) / LISC scattered sites	\$1,500,000	25
Northside Home Repairs scattered sites	\$75,000	4
	\$115,083,215	665



201 West Kalamazoo Avenue
Kalamazoo, MI 49007

www.kalcounty.com

PUTTING OUR “HOMES FOR ALL” MILLAGE TAX DOLLARS TO WORK



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Commissioner
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Commissioner
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Commissioner
Jen Strebs



Commissioner
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Core Values

Professionalism:

(Excellence, Financial Integrity, Accountability)
To ensure financial integrity and be good stewards of our community's investment. To achieve excellence in programs, services, and products.

Transparency:

To be transparent throughout all steps of the millage implementation.

Equity:

To dismantle systemic racism and commit to work toward an equitable and inclusive future for all residents.

Respect:

To communicate in ways that promote open dialogue and respect. To respond to people with integrity, dignity, compassion, and fairness.

Collaboration:

To build strong partnerships and demonstrate a collaborative spirit. To enhance our community by advocating for creative and equitable solutions to housing issues across all systems and services.

Innovation:

To foster innovative and creative solutions that develop diverse county-wide housing solutions.