

# Executive Summary

## Introduction

In September 2015, the City of Portage began the planning process to update its five-year Consolidated Plan for the Community Development Block Grant (CDBG) Program. The City of Portage CDBG Program is funded by an annual entitlement grant awarded to the community by the U.S. Department of Housing and Urban Development (HUD). The Consolidated Plan is designed to help local jurisdictions assess affordable housing and community development needs and market conditions, and to make data-driven, place-based investment decisions in regards to the use of CDBG entitlement grant funds and other resources available within the community.

The consolidated planning process must be completed every five years and is implemented through Annual Action Plans. Grantees report on accomplishments and progress toward Consolidated Plan goals in the Consolidated Annual Performance and Evaluation Report (CAPER).

The 2016-2020 Consolidated Plan begins by providing an overview of *The Process* followed to develop the plan, including citizen participation and consultation with local public service and housing agencies, other local units of government, and other community stakeholders. The *Needs Assessment* and *Market Analysis* sections of the plan provide detailed and extensive data on low-moderate income residents and neighborhoods within the community. The housing and non-housing needs of low-moderate income residents are evaluated, and the needs of homeless and non-homeless special needs residents are also reviewed. The Market Analysis provides data on the cost and condition of housing, as well as the availability of affordable housing, housing for homeless persons and persons with special needs. Based on the findings of the Needs Assessment and Market Analysis, the *Strategic Plan* identifies priority needs and goals to address identified community needs, as well as anticipated financial resources available to the community. Finally, the *Annual Action Plan* provides specific goals and CDBG Program project activities for FY 2016-2017.

## Summary of the objectives and outcomes identified in the Plan Needs Assessment Overview

The following is a summary of the data analysis in the Needs Assessment and Market Analysis, which provide the basis for identified priority needs, goals and strategies of the plan:

- Population and Households: There was a 3% increase in population and a 5% increase in the number of households over the past decade. Based on data used to prepare the Consolidated Plan, Portage had a population of approximately 46,135 and 18,987 households.
- Race and Ethnicity: The city continues to become more diverse, with a minority population comprising 13.1% of the total population.

- Median Household Income: Median household income increased 14% over the past decade. In 2015, median household income for Kalamazoo County for a family of four was \$60,200. CDBG Program funds must provide a direct benefit to low-income households or an area-wide benefit to low-moderate income neighborhoods. Listed below are the 2015 Kalamazoo County area median income (AMI) categories:
  - 30% of AMI: \$25,250 (Extremely Low Income)
  - 50% of AMI: \$30,100 (Very Low Income)
  - 80% of AMI: \$48,150 (Low Income)
  - 100% of AMI: \$60,200 (Moderate Income)
- Low Income Households and Poverty: There are 7,750 low-moderate income households in Portage. Of these households, 5,995 (31.6% of total households) are low-income, earning less than 80% of AMI. In addition, 1,400 households (7.4%) are extremely low income, earning less than 30% of the AMI. These households are earning incomes at or below poverty.
- Cost of Housing: The median value of owner-occupied housing in 2014 was \$147,300, a 6.4% decrease since 2009. The median rent in 2014 was \$631 per month, an increase of 6% since 2009. Affordability of both owner and renter occupied housing continues to be a challenge for low-income households in the community. In particular, 4,185 low-moderate income households (2,450 renters and 1,735 owners) have a housing cost burden and are paying more than 30% of their household income on housing expenses. Furthermore, 1,620 low-moderate income households have a severe housing cost burden (1,055 renters and 565 owners) and are paying more than 50% of their income on housing expenses.
- Condition of Housing: It is estimated that 169 housing units occupied by low-moderate income households were considered substandard, meaning the units are overcrowded or lack adequate kitchen and/or plumbing facilities. In comparison to housing costs, condition of housing is not as significant of a concern. However, as the housing stock in the community continues to age, resources for housing maintenance and rehabilitation will be needed.
- Homelessness: In 2014, 6,484 persons were homeless, up 16% from the prior five-year average. Of these persons, 286 indicated their last permanent residence was in Portage. In addition, among homeless persons in 2014, 1,598 were families (1,717 adults and 1,828 children), 142 were unaccompanied youth, 217 were veterans and 513 were experiencing chronic homelessness (i.e. repeated incidence of homelessness). The need for emergency housing, homelessness prevention and rapid rehousing remains significant.
- Housing Needs by Race/Ethnicity: When examining housing problems by race and ethnicity, the data indicates several minority and ethnic groups have a high percentage of housing problems, which is disproportionate to the overall low-income population.
- Special Needs Housing: Twelve percent of the Portage population has a physical, developmental or mental disability. It is estimated that 2,515 low-income households have

a disability and a housing problem (1,606 renters and 909 owners), which relates to housing affordability and/or accessibility challenges.

- **Affordable Housing:** While affordable housing continues to be the most significant issue for low-income households, the Comprehensive Plan and Zoning Ordinance provide for a range of affordable housing options. In addition, city tax policies, including low taxes and adoption of tax abatements for affordable housing developments help foster, and remove potential barriers to, affordable housing. Finally, approximately 779 units of affordable rental housing (17% of subsidized housing in Kalamazoo County) are available within the City of Portage, which is proportionate to the housing units in the city as a percentage of the county overall.
- **Community Development Needs:** As the city has a dedicated Capital Improvement Program, non-housing community development needs identified were limited to: 1) neighborhood improvement efforts such as the Neighborhood Support Program, which aids in the prevention and elimination of blight; 2) small-scale neighborhood capital improvement projects; and 3) human/public service activities that assist with addressing homelessness and anti-poverty needs of the community.

### **Evaluation of past performance**

As noted above, the Consolidated Plan includes an Annual Action Plan element and a Consolidated Annual Performance and Evaluation Report (CAPER). The City of Portage has consistently received favorable reviews from HUD in regard to past performance, and has demonstrated that it has the capacity to implement programs in a timely and efficient manner consistent with HUD-approved Consolidated Plans and Annual Action Plans.

### **Summary of citizen participation process and consultation process**

Department staff reached out to a wide network of community service and housing providers, government officials, business leaders, neighborhood representatives and residents. Outreach involved a variety of methods to inform public and private agencies of the efforts to update the Consolidated Plan and requested their assistance and input. The City of Portage encouraged participation utilizing several methods including notification via personal letters/e-mails, advertising public meetings and public hearings via publication in the local newspaper, on the city web site, and through the monthly municipal newsletter, the PORTAGER. The goals of the Consolidated Plan were formulated, in part, from the information collected from this coordinated effort, as well as from public comment and public hearing opportunities.

### **Summary of public comments**

The Citizen Participation Plan and summary of public comments are provided in the appendix.

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

No public comments were received that were not accepted or considered.

### Summary

The City of Portage anticipates receiving \$1.46 million in CDBG Program funds over the next five years, derived from annual entitlement grant funds and anticipated program income. These funds will be used to address priority needs identified in the Strategic Plan. The following tables summarize and describe the goals of the Strategic Plan over the next five years, as well as the 2016-2017 Annual Action Plan.

### Strategic Plan Goals Summary

Goal Name	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
Affordable Rental Housing	Affordable Housing Non-Homeless Special Needs	City-wide	Affordable Rental Housing	CDBG: \$25,000	Rental units rehabilitated: 5 Household Housing Unit
Affordable Owner Housing	Affordable Housing	City-wide	Affordable Owner Housing	CDBG: \$1,000,000	Homeowner Housing Added: 5 Household Housing Unit  Homeowner Housing Rehabilitated: 60 Household Housing Unit  Direct Financial Assistance to Homebuyers: 15 Households Assisted
Neighborhood Improvement	Non-Housing Community Development	Low-moderate income neighborhoods	Neighborhood Improvement	CDBG: \$275,000	Housing Code Enforcement/Foreclosed Property Care: 1,750 Household Housing Unit
Public Services	Homeless Non-Homeless Special Needs	City-wide	Public Services	CDBG: \$150,000	Public service activities other than Low/Moderate Income Housing Benefit: 20,000 Persons Assisted
Non-Housing Community Development	Non-Housing Community Development	City-wide	Non-Housing Community Development	CDBG: \$50,000	Other: 1 Other

## Strategic Plan Goal Descriptions

<b>1</b>	<b>Goal Name</b>	Affordable Rental Housing
	<b>Goal Description</b>	<p><u>Affordable Rental Housing:</u></p> <ul style="list-style-type: none"> <li>• Partner with non-profit housing developers with the pre-development or rehabilitation of housing to increase the supply of decent, affordable rental housing.</li> <li>• Partner with housing developers by providing tax abatements (Payments In Lieu of Taxes) in conjunction with federal and state financing to increase or preserve the supply of affordable rental housing. Funding provided, as resources permit, through the City of Portage General Fund.</li> </ul>
<b>2</b>	<b>Goal Name</b>	Affordable Owner Housing
	<b>Goal Description</b>	<p><u>Affordable Owner Housing:</u></p> <ul style="list-style-type: none"> <li>• Provide emergency repair grants to low-income home owners.</li> <li>• Provide housing rehabilitation loans to low-income home owners.</li> <li>• Assist low-income households with home buyer assistance to purchase homes in specified Portage neighborhoods, funded by the CDBG Program, and state resources as available.</li> <li>• Partner with non-profit developers to provide pre-development or rehabilitation assistance to provide affordable owner-occupied housing.</li> </ul>
<b>3</b>	<b>Goal Name</b>	Neighborhood Improvement
	<b>Goal Description</b>	Neighborhood Improvement includes code administration and enforcement efforts within low-moderate income neighborhoods that aid in the prevention and elimination of blight.
<b>4</b>	<b>Goal Name</b>	Public Services
	<b>Goal Description</b>	<p>Public Services to low-income households provided through local public services providers, funded through the CDBG Program and the City of Portage General Fund on an annual basis:</p> <ul style="list-style-type: none"> <li>• Homelessness prevention and rapid rehousing (including emergency shelter);</li> <li>• Emergency financial and food assistance;</li> <li>• Supportive services for special needs populations; and</li> <li>• Non-housing anti-poverty services/programs.</li> </ul>
<b>5</b>	<b>Goal Name</b>	Non-Housing Community Development
	<b>Goal Description</b>	Non-Housing Community Development activities to include small-scale capital improvement projects such as sidewalk repair and/or neighborhood park improvements within low-moderate income neighborhoods. Non-Housing Community Development activities provide an area-wide benefit, compared to a direct person or housing unit benefit.

## 2016-2017 Annual Action Plan Goals and Objectives

Goal Name	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
Affordable Owner Housing	Affordable Housing	City-wide & Home Buyer Assistance Eligible Neighborhoods	Affordable Owner Housing	CDBG: \$213,282	Homeowner Housing Rehabilitated: 12 Household Housing Unit Direct Financial Assistance to Homebuyers: 3 Households Assisted
Neighborhood Improvement	Non-Housing Community Development	Low-moderate income neighborhoods	Neighborhood Improvement	CDBG: \$52,253	Housing Code Enforcement/Fore-closed Property Care: 350 Household Housing Unit
Public Services	Homeless Non-Homeless Special Needs	City-wide	Public Services	CDBG: \$41,928	Public service activities for Low/Moderate Income Housing Benefit: 4000 Households Assisted
Non-Housing Community Development	Non-Housing Community Development	Low-moderate income neighborhood	Non-Housing Community Development-Infrastructure	CDBG: \$50,000	Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit: 194 Households Assisted

## Annual Action Plan Goal Descriptions

<b>1</b>	<b>Goal Name</b>	Affordable Owner Housing
	<b>Goal Description</b>	<p>Affordable Owner Housing efforts will include:</p> <ul style="list-style-type: none"> <li>• <u>Owner-occupied Housing Rehabilitation Program</u>: CDBG Program funds will be provided to assist low-income home owners with emergency repairs and housing rehabilitation improvements on a city-wide basis through grants, and zero or low-interest deferred loans.</li> <li>• <u>Home Buyer Assistance Program</u>: CDBG Program funds will be provided to assist low-income households with purchasing homes in eligible neighborhoods. No interest deferred loans will be provided to home buyers to cover up to 50% of the required down payment and closing costs. Up to \$3,000 per household will be generally provided, while up to \$5,000 per household will be provided for purchases of bank-owned foreclosed homes or previously renter-occupied homes.</li> </ul>
<b>2</b>	<b>Goal Name</b>	Neighborhood Improvement
	<b>Goal Description</b>	Neighborhood Improvement efforts to include code administration and enforcement within low-moderate income neighborhoods that aid in the prevention and elimination of blight.
<b>3</b>	<b>Goal Name</b>	Public Services
	<b>Goal Description</b>	<p>Public services will be provided to low-income households through a local public service agency, the Portage Community Center. Funding to be provided from the CDBG Program will assist low-income Portage residents with emergency assistance (food and financial assistance), transportation assistance and youth recreation scholarships.</p> <p>In addition to CDBG Program assistance, an additional \$131,941 in General Fund monies will be awarded to six other local public service agencies that provide: homelessness prevention and rapid re-housing assistance; emergency shelter and transitional housing to families, unaccompanied youth and victims of domestic violence and/or sexual assault; a 24-hour public services information/referral service; tax counseling and preparation services; and a medical equipment loan program for persons with disabilities.</p>
<b>4</b>	<b>Goal Name</b>	Non-Housing Community Development
	<b>Goal Description</b>	Non-Housing Community Development - Sidewalk Enhancements: This activity involves improvements to the existing sidewalk infrastructure within Westfield neighborhood (Census Tract Block Group 20.03-2).