



Kalamazoo Foundation for Excellence

2018 Annual Report

Hope, Community, Transparency

These words came to define the Foundation for Excellence as it concluded year one of operations in 2018.

As President of the board and mayor of the City of Kalamazoo I have been so proud of our unshakable focus on helping to support the ambitious vision of Imagine Kalamazoo. The City's historic commitment to outreach and collaboration has been matched by a level of renewed investment in our city that some thought could never happen, but that all undeniably feel.

We see this in the budgeting priorities of the City and FFE Board, in the projects that City staff is working on with an array of partners, and in the FFE's commitment to open communication.

As a City, and as a community of passionate individuals and organizations, we are linking hope to action and action to intention.

This board leads with its values of honesty, mutual respect, transparency, and informed discussion – even healthy debate. Our directors have cast an eye long into the future to prepare for and plan the durable groundwork of a sustainable organization whose work continues forever.

This annual report touches on each of these topics. You can always continue the conversation with us at open city commission and FFE board meetings, as well as online at www.Imaginekalamazoo.com.

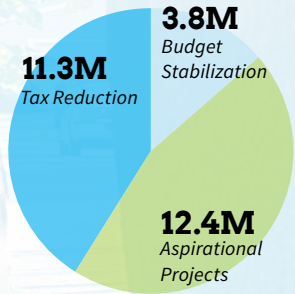
Supporting the journey,

Mayor Bobby J. Hopewell

A Unique Public and Non-Profit Partnership

Fiscal Year 2018

The Foundation for Excellence fiscal year 2018 allocation was set in the amount of \$27,512,225 following public presentations and discussion before City Commission on December 11 and 18, 2017, and a vote of the City Commission on January 2, 2018. Of this sum, \$15,084,225 was directed to stabilization of the City's budget and lowering the City property taxes from 19.0275 mills to 12 mills. Furthermore, \$12,428,000 was allocated for aspirational City programs. In 2018 new programs were added and successful programs were expanded and enhanced.



Budget Stabilization

We know that if the City's budget is stable, then service and staffing will not be reduced due to budget challenges and may adapt to changing needs. Additionally, assets and services can be aligned to make the Imagine Kalamazoo 2025 Strategic Vision a reality through highly impactful and equitable aspirational projects.

Tax Reduction

Regarding the significant investment in tax reduction, a reduction in City property taxes on all properties, should, over the long term, correlate with beneficial effects to the prosperity of all residents, to overall pricing or quality of housing stock, including rentals, as well as business retention or start-up. The City is tracking numbers for property

11%
Average reduction for property tax-payers

tax delinquency rates and total parcels delinquent dating back a decade in order to set a baseline for modeling the long term impact on homeowners and businesses.

Foreclosure Prevention

In 2018 a grant of \$40,000 helped 33 families avoid foreclosure, and allowed work to be done, the first of its kind in Kalamazoo, to ensure that no owner occupied homes on the Northside were foreclosed for non-payment of taxes.

The program makes use of the County's existing criteria and one-on-one financial counseling to reach those homeowners who have not only the greatest need, caused by a medical emergency for example, but also the highest likelihood of succeeding in exiting arrears permanently. This success resulted partially from door-to-door outreach.

Keeping people in their homes prevents many avoidable economic and social outcomes that result from housing insecurity – especially for children and the elderly.

Aspirational Support

In the expand and enhance category are the City's flagship youth development and career preparation programs, MyCity/ YOU, SuperRec, and All Things Possible, the lead water service replacement initiative, and park and infrastructure enhancements occurring under the name of Great Neighborhoods. The partnership with the Local Initiative Support Corporation (LISC) to lead very substantial economic development and affordable

housing initiatives continues in its second year. A notable aspect of this partnership is that City dollars are leveraging LISC dollars at a ratio of two-to-one. Further support for economic development, especially in the areas of small business and neighborhood support, is being implemented through the new Economic Opportunity Fund. In the area of new pilot programming is a unique partnership with Kalamazoo Public Schools, Metro, and Kalamazoo Public Library called the Youth Mobility Fund that gives unlimited free bus ridership to City youth in grades 9 – 12.

Investments since 2017:

	A	B	C
		D	
		E	
		F	
\$2M Economic Opportunity Fund		\$0.8M FFE Staff	
\$2.105M Park Improvements		\$1.5M Water Service Replacements	
\$2.325M MyCITY Program		\$2.107M Shared Prosperity	
\$3.25M Economic Development		\$3M Affordable Housing	
\$6.95M Great Neighborhoods: Infrastructure			
A. Inviting Downtown	\$0.5M		
B. Communication & Evaluation	\$0.2M		
C. All Things Possible Program	\$0.175M		
D. Super Rec Program	\$0.249M		
E. Youth Mobility Fund	\$0.25M		
F. Neighborhood Activation	\$0.25M		

The Foundation for Excellence (FFE) is an innovative 501(c)3 non-profit support corporation that was created in 2017 to address systemic challenges to the prosperity of Kalamazoo. The FFE was originally announced alongside a commitment of \$70.3 million to support its creation, and to stabilize the City's budget, lower the property tax rate, and invest in aspirational community projects through 2019. To-date, the FFE has supported many City projects and programs that are impacting the lives of all residents, including many street and sidewalk projects, a historic partnership with the Local Initiative Support Corporation (LISC) for economic development and affordable housing, doubling the pace of lead water service removal, expanding youth development and employment programs, and multiple, significant park improvement projects.

A fundraising campaign has also been initiated to raise and invest enough resources to support this kind of work forever.

2017-2019 BUDGETS

2017

Budget Stabilization	-
City Tax Reduction	10,900,000
Aspirational Projects	3,152,500
Total:	\$ 14,052,500

2018

Budget Stabilization	3,800,000
City Tax Reduction	11,284,225
Aspirational Projects	12,428,000
Total:	\$ 27,512,225

2019

Budget Stabilization	4,000,000
City Tax Reduction	12,250,149
Aspirational Projects	10,088,000
Total:	\$ 26,338,149

Total \$67,902,874

STATEMENT OF FINANCIAL POSITION

December 31, 2018

Assets

Current Assets	
Cash	\$ 10,307
Contributions Receivable	28,085
TOTAL ASSETS	\$ 38,392

Liabilities & Net Assets

Current Liabilities	
Accounts Payable	\$ 446
Due to City of Kalamazoo	500
TOTAL LIABILITIES	\$ 946
Net Assets	
With donor restrictions - purpose restricted	37,446
TOTAL LIABILITIES AND NET ASSETS	\$ 38,392

STATEMENT OF ACTIVITIES

Year Ended December 31, 2018

Support and Revenue

Contributions	\$ 38,180
Net assets released from restrictions	-
TOTAL SUPPORT AND REVENUE	38,180

Expenses

Program services	
Operational assistance	-
Aspirational projects	-
Total program services	-
Supporting services	
General and administrative	734
TOTAL EXPENSES	734
CHANGE IN NET ASSETS	37,446
Net assets, beginning of year	-
Net assets, end of year	\$ 37,446

Learn more about the Foundation for Excellence at www.kalamazoo.org/FFE



304 youth participated in SuperRec program

middle & high school-aged youth participated in All Things Possible

55

357 unique individuals received work experience and a summer job through MyCITY summer employment program, earning wages totaling **\$398,000**

716 youth directly benefited from expansion of recreation programs

families able to obtain housing in new single family homes

10

31 families able to obtain housing in rehabilitated single family homes

people aided by foreclosure prevention outreach

33

472 people received financial education through Kalamazoo Neighborhood Housing Services

tax foreclosures on owner-occupied homes in the Northside Neighborhood

0

18,262 residential properties benefited from reduction in City property taxes, saving an average of **\$326**
11% average reduction of city property tax

\$340,000 in strategic property acquisition, leveraging additional funding of **\$1.4 million**

\$170,000

awarded for building improvement

\$490,000

in small business real estate loans

5 Imagine Kalamazoo 2025 neighborhood plans completed in collaboration with neighborhoods

lead water services replaced in addition to existing program

78

9 streets significantly repaired with a complete streets approach, totaling **4.3** lane miles

lane miles of complete streets work including sidewalk repair or construction tree trimming

8+

park improvements completed at

**Henderson
Rockwell
Davis Street
Frays**

Bates Alley transformed into a pedestrian promenade with outdoor seating and lighting