



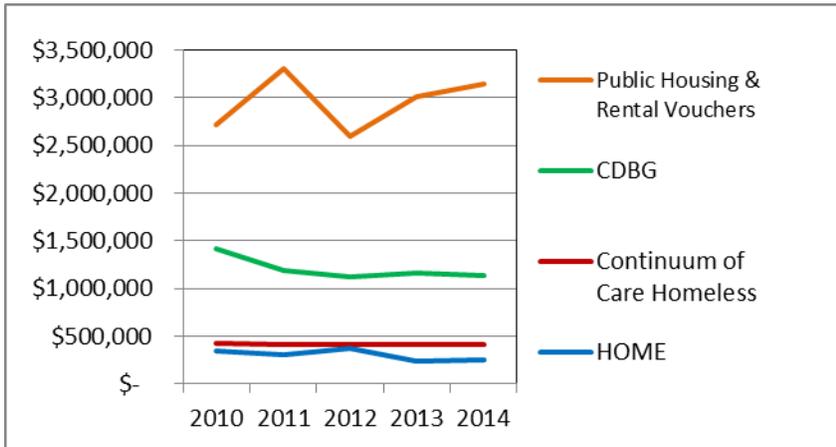
# Community Development Snapshot

## Healthy Neighborhoods: Our Common Commitment

The City of Battle Creek’s **Community Development Department** supports neighborhoods by administering federal programs and coordinating planning efforts. It administers the federal **Community Development Block Grant (CDBG)** and **HOME Investment Partnership (HOME)** formula grant programs. It has also successfully applied for federal **Neighborhood Stabilization Program (NSP)** competitive grant funds. Every five years, the City of Battle Creek coordinates a community-wide planning and needs assessment process to develop a five-year **Consolidated Plan** which governs the spending of these federal funds.

Other federal funds provided through the U.S. Department of Housing and Urban Development (HUD), not administered by the City of Battle Creek but included in the Consolidated Plan, include **Continuum of Care Homeless Assistance** which provides funds to the Haven of Rest, Safe Place and Summit Pointe’s housing and homeless programs; and **public housing and rental vouchers** provided through the **Battle Creek Housing Commission**. As Figure 1 shows most sources of federal funding for community development are flat or decreasing.

Figure 1: Federal Community Development Funding, 2010-2014



**CDBG** funds are awarded to entitlement cities of over 50,000 population, counties and states. Communities develop their own programs and funding priorities based on national objectives for neighborhood revitalization, economic development and provision of public infrastructure and services. Priority must be given to

activities which benefit low- and moderate-income people, or aid in the prevention and elimination of slums and blight. The City of Battle Creek spends 100% of its CDBG funds to benefit low- and moderate-income people and areas.

*“We want a thriving community that involves and supports young people and neighborhoods. We want areas that are attractive, safe and clean.”*

- Community Conversation Resident Response

**CDBG**, and **HOME** funds assist low- and moderate- income individuals, or provide a benefit to target neighborhood areas that are predominately low- and moderate-income. This year’s income limits for 80% of median area income are:

Household Size	1	2	3	4	5	6	7	8
Income Limit	\$29,600	\$33,800	\$38,050	\$42,250	\$45,650	\$49,050	\$52,400	\$55,800

Figure 2: Federal Funding (CDBG, HOME, NSP) by Activity

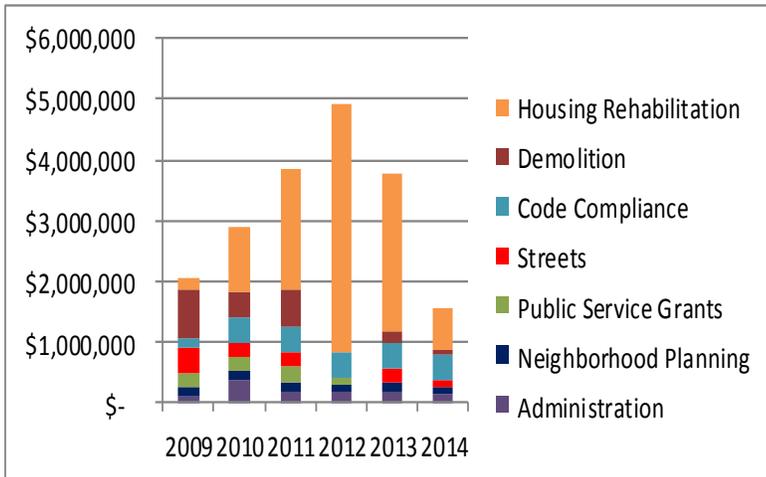


Figure 2 shows the range of activities community development has funded using federal funding sources the past six years. **HOME** is limited to housing, and **NSP** to rehabilitating or demolishing abandoned properties. **CDBG** funds the widest variety of activities and has been used to inspect and register thousands of rentals in low-income areas, rehabilitate hundreds of low-income senior citizens' homes, and fund a variety of nonprofit programs through public service grants.

Federal funds have been targeted on preserving home values through code enforcement and rehabilitation of homes in the City's most vulnerable neighborhoods.

**CDBG-funded Housing Rehabilitation** programs have evolved. The City used to fund rehabilitation for older homeowners (age 60+) in the Senior Deferred Loan Program where senior citizens borrowed on the equity in their home to fund repairs up to \$20,000. Loans were paid back at the sale of the property or the death of the homeowner. This program assisted about 20 homes per year. The City now administers a **Minor Home Repair** program for low-income homeowners who cannot afford

**Public Service Grants:** In the past, the City has used up to 15% of its annual CDBG allocation to fund grants that strengthen community services to area nonprofit organizations. In 2012, when amounts of annual CDBG funding from the federal government decreased, the City Commission chose to discontinue public service grants and the Community Development Advisory Committee which oversaw the awarding of public service grants.

Figure 3: HOME & CDBG Funded Rehabilitation Projects, 2010–2013

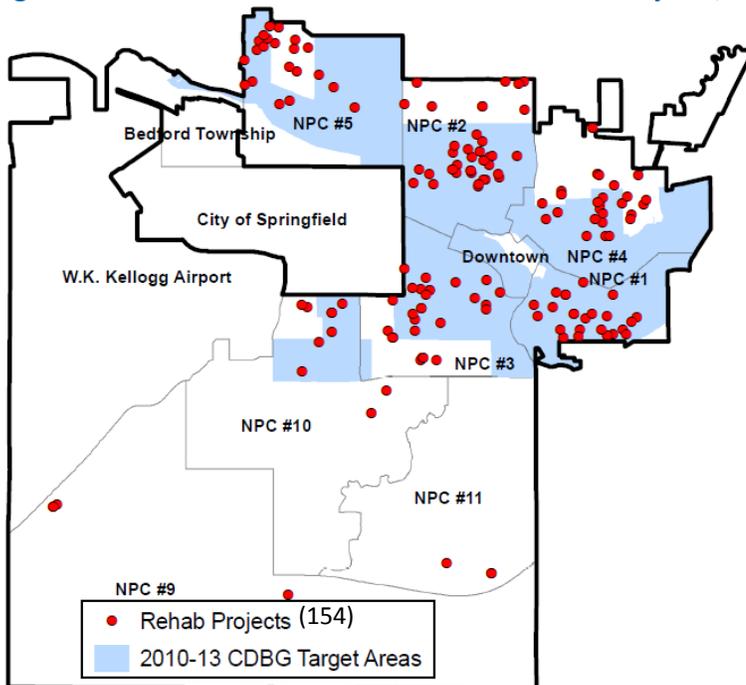
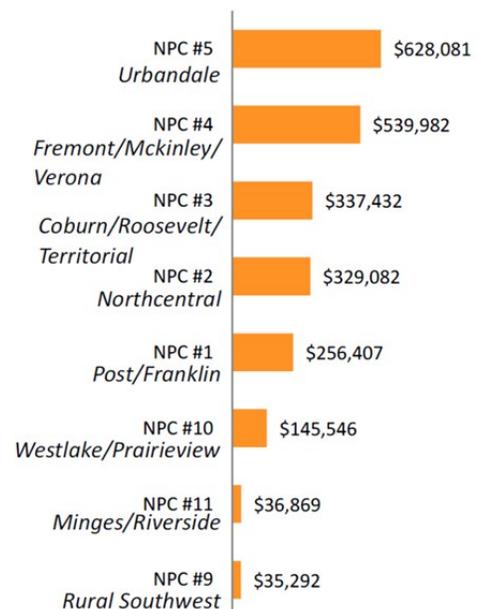


Figure 4: Rehabilitation Funds by Neighborhood Planning Councils, 2010-2013



repairs required to meet using housing code standards, providing grants up to \$5,000 for health and safety or accessibility issues, or roof replacement up to \$12,000. This program assists up to 50 households per year.

**HOME** funds affordable housing for low-income families and seeks to expand the capacity of nonprofit housing providers in partnership with the City. In Battle Creek, HOME dollars have historically funded a homeowner rehabilitation program run by Community Action of Southwest Michigan and a program operated by Neighborhoods, Inc., the City's only HUD designated Community Housing Development Organization, that fixes up distressed homes and resells them to qualified low- and moderate- income homebuyers

Between 2009 - 2013, Battle Creek received an infusion of federal stimulus funding to help cope with problems caused by the mortgage foreclosure crisis.

The City of Battle Creek received \$1,826,097 in **Neighborhood Stabilization Program (NSP 1)** under a subcontract with the Michigan State Housing

**Fair Housing:** There are many cross cutting Federal and State laws that the City has to implement. Such is the case with Fair Housing—regardless of the community development program, or the source of funds, the City must promote fair housing for all. Fair Housing laws protect everyone from discrimination in the sale or rental of housing on the basis of race, color, national origin, religion, sex, familial status, age, marital status, disability, or sexual orientation/gender identity. The City of Battle Creek has contracted with the Fair Housing Center of Southwest Michigan to conduct fair housing testing.

Development Authority (MSHDA), the statewide housing authority. NSP 1 funded the demolition of 156 blighted and vacant buildings around the City of Battle Creek, and the rehabilitation of five homes. With successful and efficient implementation of **NSP 1** funding, the City of Battle Creek in partnership with Calhoun County Land Bank Authority received a much larger **NSP 2** grant through MSHDA

***NSP Highlights:***

- ◆ 40 properties rehabbed and sold in 2 targeted areas
- ◆ Highly visible, anchor properties for neighborhoods
- ◆ Energy efficiency, saving up to \$2,735/year per rehab
- ◆ 46% of homebuyers 29 years of age or younger
- ◆ 63% of homebuyers new to Battle Creek School District
- ◆ 46% of homebuyers from outside of the City

of \$8,577,599. In this round of funding, the County demolished 209 blighted buildings; secured 100 foreclosed houses which were put into the Land Bank for future development; acquired 35 foreclosed and abandoned houses which were remodeled by the City and resold to low- and moderate-income families; and built 5 new homes on highly visible lots to help restore market vitality in Battle Creek's historic core neighborhoods. Recently, Calhoun County received \$266,000 in **reallocated NSP funds** for an additional 26 demolitions in the City.

The **Consolidated Plan** calls for a community-wide planning process to identify needs and create a plan to address them. It includes consulting with individuals, and organizations in both the private and public sectors. It involves the collection and analysis of data concerning the needs of households, as well as the market conditions that shape where we live, work, and play. The result is

a plan that accounts for community development related activities throughout the city, sets measurable goals for meeting specific community needs, and gives direction for how City-administered federal dollars will be spent.

The following maps and charts analyze Battle Creek’s neighborhoods looking at the cost of housing and the cost burden to renters and homeowners, average sales prices, tax foreclosures, the

Figure 5: Housing Needs Assessment Demographics

Demographics	2000	2010	% Change
<b>Population</b>	53,364	52,762	-1%
<b>Households</b>	21,372	20,990	-2%
<b>Median Income</b>	\$35,491	\$38,926	10%
<b>Median Income Adjusted for Inflation</b>	\$35,491	\$29,485	-17%
<b>Monthly Owner Costs* Adjusted for Inflation</b>	\$583	\$646	11%
<b>Gross Rent * Adjusted for Inflation</b>	\$488	\$516	6%

\* Includes an estimate of utility costs

number of demolitions and vacant buildings, and the impact of code compliance on neighborhoods. Special attention is given to Battle Creek’s low- and moderate-income areas and most of the analysis uses NPC boundaries to describe neighborhoods.

an estimated **24,700 housing units** in the city, 55% are homeowner occupied, 30% are renter occupied. The remaining 15% housing units are vacant.

Household income, when adjusted for inflation, also dropped. During the same period, housing costs rose for both homeowners and renters, leaving families with less expendable income. A 2013 Comprehensive Housing Study completed by McKenna and Associates, a copy of which is found on the Community Development page on the City’s website, found that while Battle Creek has an oversupply of low cost housing in poor condition, it also has an undersupply of housing with amenities desired by higher income families. Many higher income families then chose to live in other communities and commute to work in Battle Creek. The 2013 housing study documented a demand for 4,000 housing units divided evenly between rental and homeownership for higher income families.

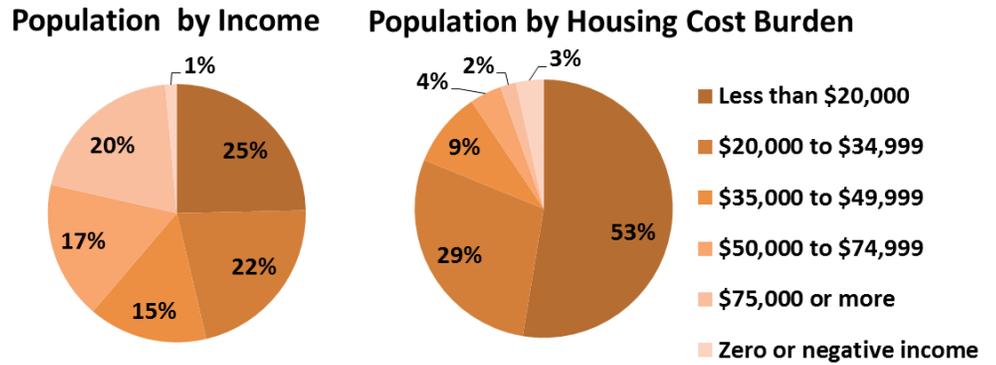
Ideally, homebuyers and renters are able to find suitable housing they can afford with the amenities

*“I want a more integrated Battle Creek where your income doesn’t decide what neighborhood you live. And, a community that improves outcome for at risk families.”* - City Manager Search comment

they desire. Analysis of Battle Creek’s 2013 for-sale housing shows that while most of housing offered for sale in Battle Creek is affordable to low- and moderate-income households, many higher

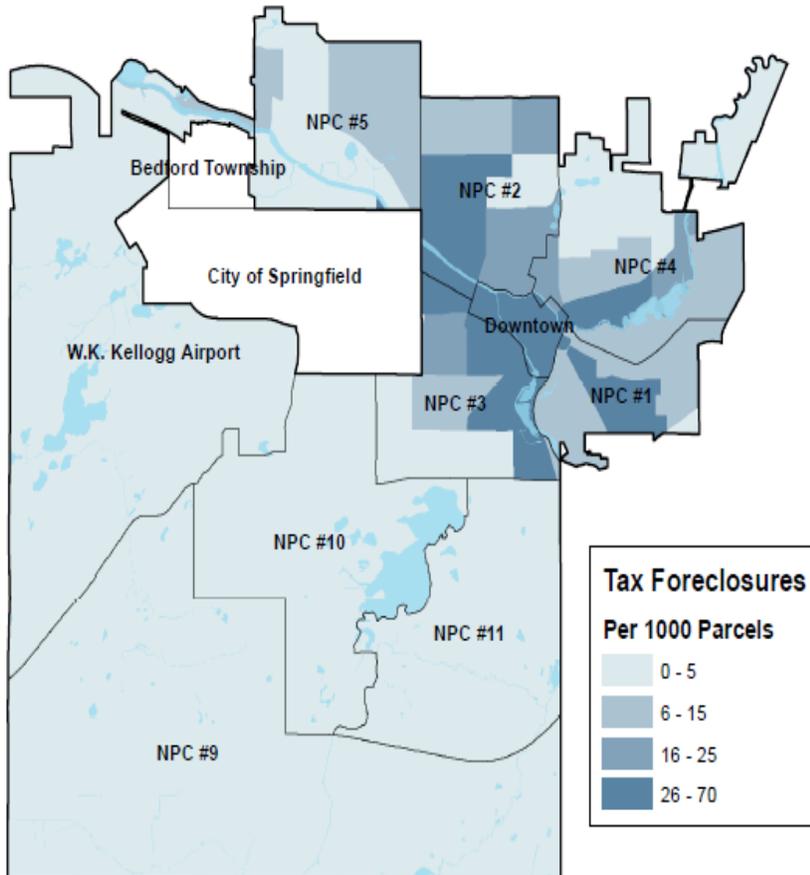
income households are choosing to pay much less than they can afford, reducing the supply of affordable housing for low-income families. A similar analysis for rental properties reveals that more than half

Figure 6: Battle Creek’s Income Distribution & Housing Cost Burden



of the rental housing in Battle Creek is priced to meet the needs of moderate income households, who make up just 17% of the renter population, making most units too expensive for roughly 1,000 low- and very low-income families. This leads to many low-income families being **housing cost burdened** meaning that they pay more than 30% of their income for housing and utilities. Figure 6 shows that while families earning less than \$20,000 annually make up 25% of Battle Creek’s families, 53% of them are paying more than 30% of their income for housing costs, in many cases over 50% of their income for housing. Many low-income people have purchased properties or

Figure 7: Density of Tax Foreclosures (2013)



inherited properties that they struggle to maintain and pay the taxes, leading to an increase in tax foreclosures.

**Tax foreclosure density** is an example of a market condition that provides insight into neighborhood’s stability. A tax foreclosure is when the homeowner loses a property to the county due to the nonpayment of taxes. This is distinct from a bank foreclosure, in which a lender takes a property back due to the nonpayment of the mortgage. Bank foreclosures occur in all types of neighborhoods and to families of all incomes levels. Tax foreclosures occur mainly in neighborhoods where housing values are low, and families have fewer options.

The average home sale prices for 2013 mapped in Figure 8 show the desirability of property in different neighborhoods in the City. Some housing sale prices are surprisingly low. Home values give a broad indication of neighborhood desirability; incorporating how potential buyers feel about things like safety, location, and schools. While low sales values in an area might mean housing is more affordable, it also can indicate problems like deteriorated housing stock and a cycle of disinvestment.

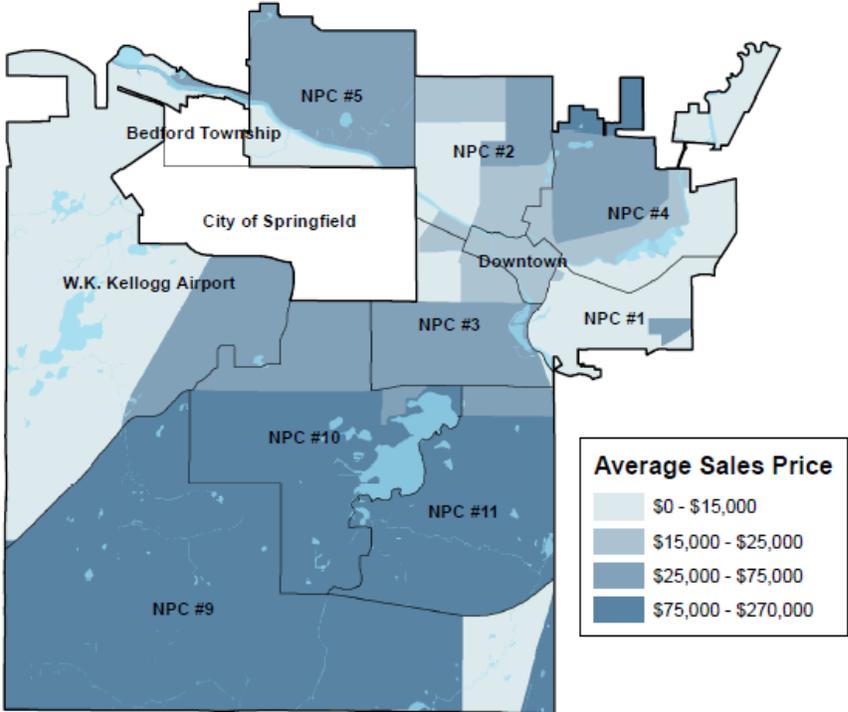
*“We want clean neighborhoods, where people take care of their houses and lawns, where city ordinances for lawn maintenance and noise are enforced.”*

*- Community Conversation participant*

When property values are low or falling, home owners and landlords can expect a lower return on their investment when they repair or update their properties; investors profit less from development; and affordable housing, when feasible, requires greater public subsidies, draining scarce resources. Such disincentives for private investment in neighborhoods add to decline.

**Neighborhood Stabilization Program** funds spent from 2009 to 2013 worked to improve Battle Creek’s neighborhoods by removing vacant buildings and rehabilitating housing in two target areas.

Figure 8: Average Home Sale Price, 2013



Analysis of how home sales values have changed between 2011 and 2013 in Battle Creek neighborhoods show that the primary target area for NSP, the Fremont/Calhoun neighborhood, saw **home sales values increase 91%**, nearly double any other neighborhood in Battle Creek. And, the Coburn School neighborhood, a secondary target area, increased by 46%.

Figure 9: Buildings Vacant Over 12 Months, 2013

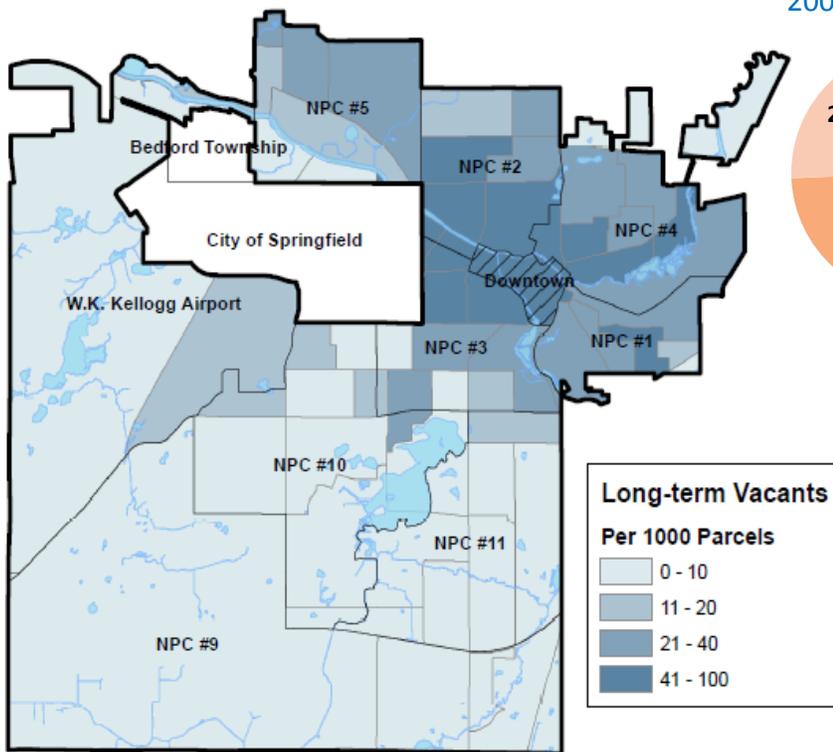
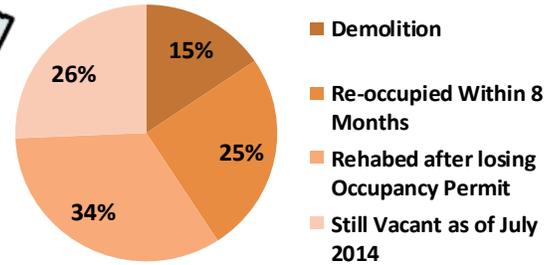


Figure 10: Vacant Buildings Outcomes, 2008—2013



High numbers of vacant buildings are an indication of instability in a neighborhood, and lead to blight and disinvestment. The longer a building is vacant, the greater the risk of deterioration, or vandalism. Historically, long-term vacant properties have been limited to neighborhoods

near the city’s urban core, but following the housing crisis vacant buildings became a problem throughout the City of Battle Creek. Eventually, most vacant buildings are returned to productive use, see Figure 10. The City’s Code Compliance Department has averaged between 300 and 400 new vacant buildings enforcements a year since 2008. Currently, there are more than **770 vacant buildings** in Battle Creek. Despite the City’s success in obtaining grants for demolition, there are limited public resources for what is needed.

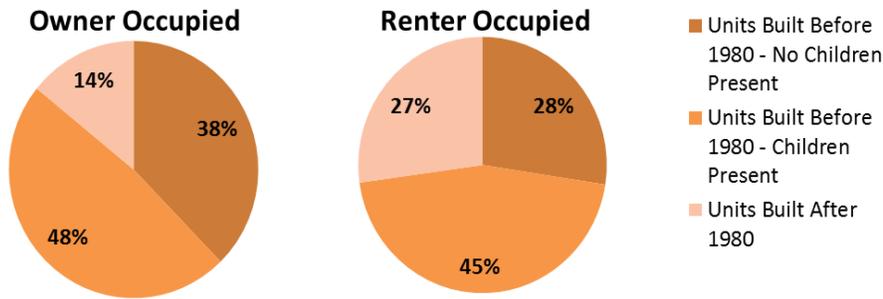
**Code Compliance** and a Dangerous Building Ordinance are tools the City uses to deal with blight and vacant buildings. **CDBG funded** Code Compliance is a strategy to stabilize neighborhoods and housing values. It attempts to strengthen neighborhoods by inspecting exterior building standards; inspecting and registering rental properties; requiring tall grass and weeds to be mowed; and not allowing trash build up and unlicensed cars to be parked in yards. The chart in

Figure 11: Neighborhood Indicators: Change Between 2012 & 2013

Neighborhood Indicators	% Change	Grade
Junk/Trash	40%	✘
Housing Violations	-26%	✔
Home Sales Over \$20k	22%	✔
Average Sales Price	14%	✔
Bank Foreclosures	-35%	✔
Tax Foreclosures	-24%	✔
Long-term Vacant Buildings	5%	⚠
New Vacant Buildings	19%	✘
Overall Risk Scores	-15%	✔

Figure 11 shows indicators used to measure the impacts of code enforcement. While junk/trash complaints and vacant building enforcements continue to trend upward, overall risk scores for the other eight neighborhood indicators show a **drop of 15%**.

Figure 12: Risk of Lead-Based Paint Hazard



Many houses and apartments built before 1980 contain high levels of **lead-based paint**. Lead from paint, chips, and dust can pose serious health hazards especially to children, if not taken care of properly.

Figure 12 shows the percentage of units in Battle Creek that were

built before 1980 for owner occupied and renter housing. About 80% of Battle Creek housing units were built prior to 1980. Federal regulations, and commonsense health concerns, about lead based paint raise the cost of rehabilitation. With Battle Creek’s older housing stock remediating lead based paint hazards is a continuing concern.

Community development and needs are multi –faceted .  
*“From my perspective, transportation to and from Fort Custer for 2nd and 3rd shift work is the #1 unmet need in Battle Creek.”*  
 - Nonprofit Community Leader

**Community development** funding has been used to strengthen neighborhoods by enforcing standards through code enforcement and helping homeowners preserve housing values through infrastructure improvements, demolition of vacant and unusable properties, housing rehabilitation and minor home repairs. Goals are to:

- ◆ encourage investments of time, money and energy into existing neighborhoods to keep current residents and attract new ones;
- ◆ contribute to quality affordable housing production for low- and moderate- income households in vibrant, diverse, and sustainable neighborhoods; and
- ◆ promote place -making – capitalizing on a local assets and potential, creating places that promote health, happiness, and well-being.

There are many choices in how Battle Creek spends its federal community development funding. This analysis attempts to lay out neighborhood conditions and past efforts to help you understand past strategies to inform a discussion of community needs at a deeper level. With a renovated and rejuvenated downtown, a recovering economy, a healthy nonprofit sector, committed individuals, foundation resources, and a responsive City government we need to understand our challenges and build on our strengths to realize our common commitment to a healthy and thriving Battle Creek. We are one community looking toward the future.

**Produced by the City of Battle Creek Community Development**

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