

CDBG Application 2017-2018

Community & Economic Development

CDBG Project Proposal

Site acquisition, infrastructure, prep for affordable housing project:

- The intent is to acquire and prepare a site(s) for development of new affordable housing units with CDBG funds. Goal is creation of 5-7 new units.
- \$200,000 request for funds to be spent April 1, 2017-March 31, 2018. Securing the funds now allows time to complete project feasibility and find/acquire a site.
- The goal of the project is to provide new decent, safe, and affordable housing in Appleton, constructed in a way that will ensure the dwelling will retain value, as well as improve blighted areas of the City.
- Another goal is for non-profit housing agencies and/or developers to work with City staff to develop the housing for that site as approved by the City. Our department may be involved in helping to secure additional funding from other state and federal resources for the development of that housing, if necessary.

Affordable Housing Options

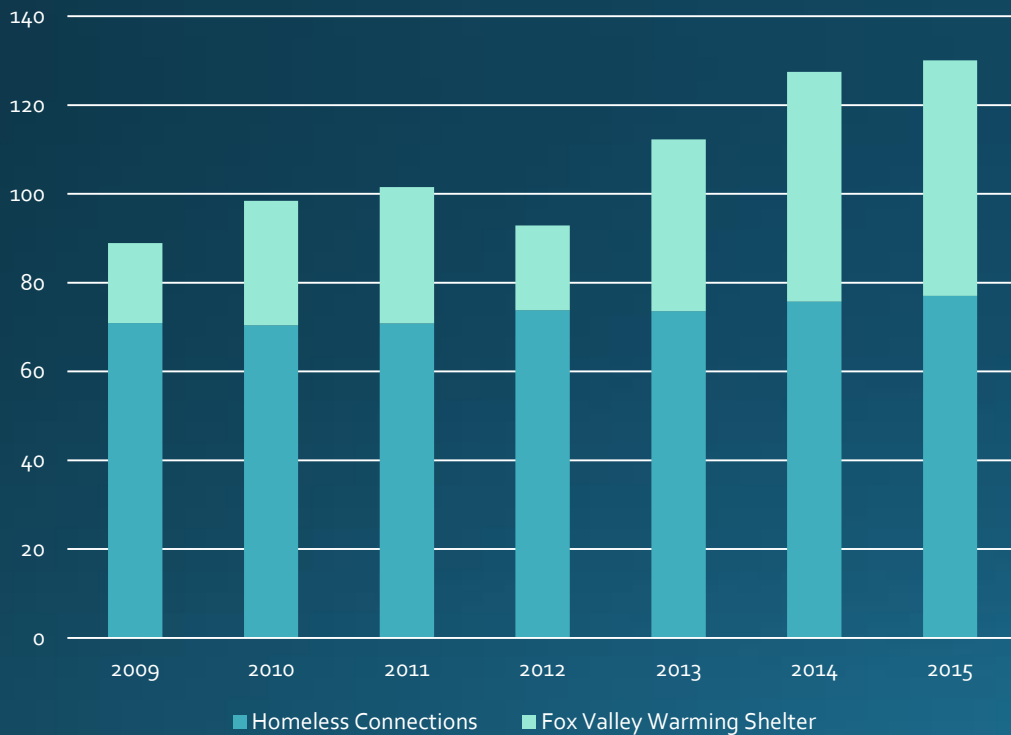
- Staff is not requesting approval for a small home community at this time. We are still researching the feasibility of this type of project.
- We are requesting funding for site acquisition for an affordable housing project that is creative, innovative, meets the needs of our community and enhances the quality of life. A small home community is one option being explored at this time.
- Approval of the CDBG application is to commit funding for an affordable housing project. Project feasibility will be completed first. If a small home development is feasible, the site concept will be developed once an appropriate site is located and based on what will fit best in the neighborhood. Final plan for site will be required to go through appropriate zoning process.
- The actual site will determine the type of affordable housing project to be developed so that it fits within that particular neighborhood. Size of units, owner vs rental, income mix, etc will all be determined once the site is selected. All necessary variance requests for zoning, etc will be requested for that site at that time.

Affordable Housing Options that are being explored:

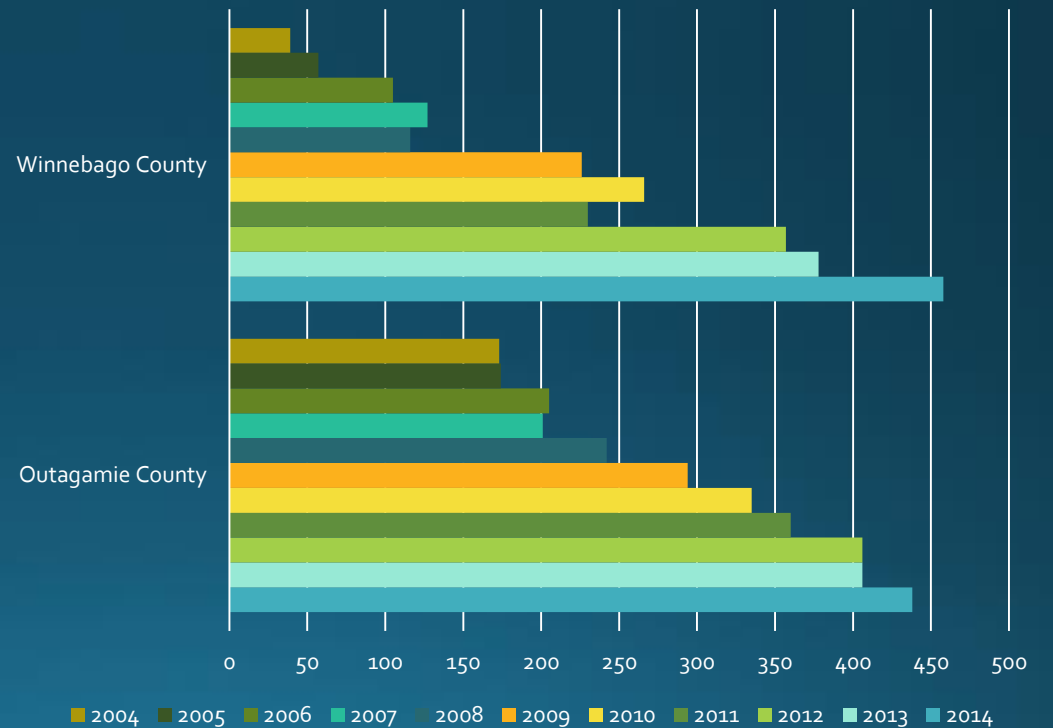
- Smaller Home Community
- Single Room Occupancy (SRO)
- Affordable Multi-family rentals

Increasing Homeless Population

Homeless Shelter Utilization



Homeless Students (under 18)



Project RUSH (Research to Understand and Solve Homelessness)

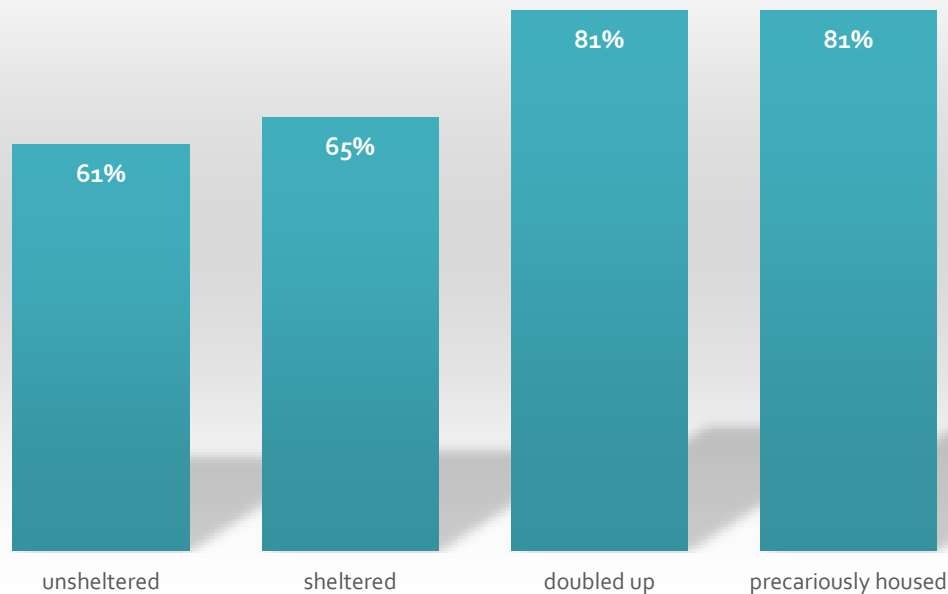
- Surveyed 600 individuals in the community who are currently homeless or on the brink of homelessness
- Innovative research - asked detailed information about:
 - their childhoods
 - mental and physical health conditions
 - housing stability
 - current income
 - their ability to be self-sufficient in the future
- Findings presented to community in October, 2015

Long-term residents with incomes

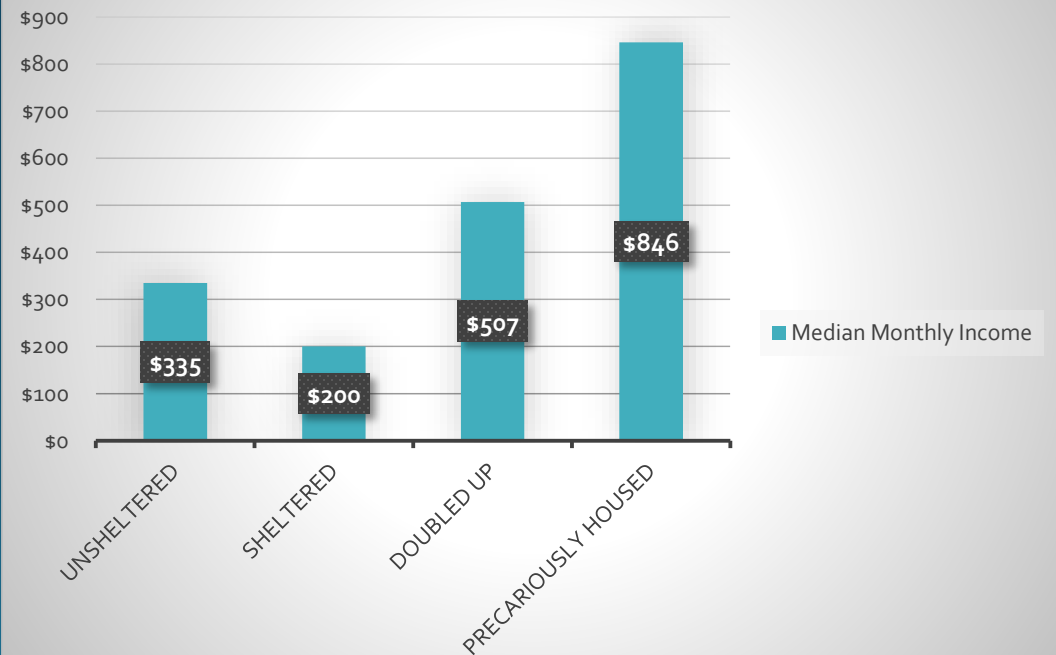
Primarily, these are people who have lived in our community for a long time, many of them for over 20 years, and became homeless while living here.

They have an income but also have many barriers to increasing their income. As housing prices go up, this segment of the population has a greater risk of becoming homeless.

Lived here 3+ years



Median Monthly Income



Risk Factors of Homelessness

- **Physical Health** (49% have a physical or other health condition that limits the kind or amount of work they can do)
- **Mental Health** (57% have been diagnosed with a significant mental illness. This is further complicated by substance abuse, with 25% reporting both a mental health condition and a substance abuse problem.)
- **Trauma and Adverse Experiences** (childhood abuse and neglect was reported at 2-3x the rate of the general population. This leads to depression, anxiety disorders, and a lack of a reliable support system, among other things)
- **Employment and Education** (2/3 had a high school degree or higher. Many work or qualify for disability but still cannot afford housing in the community)
- **Unaffordable Housing** (while the middle class is shrinking in the Fox Cities, the highest income and the lowest income populations are increasing. Housing is increasingly unaffordable for our lowest income residents)

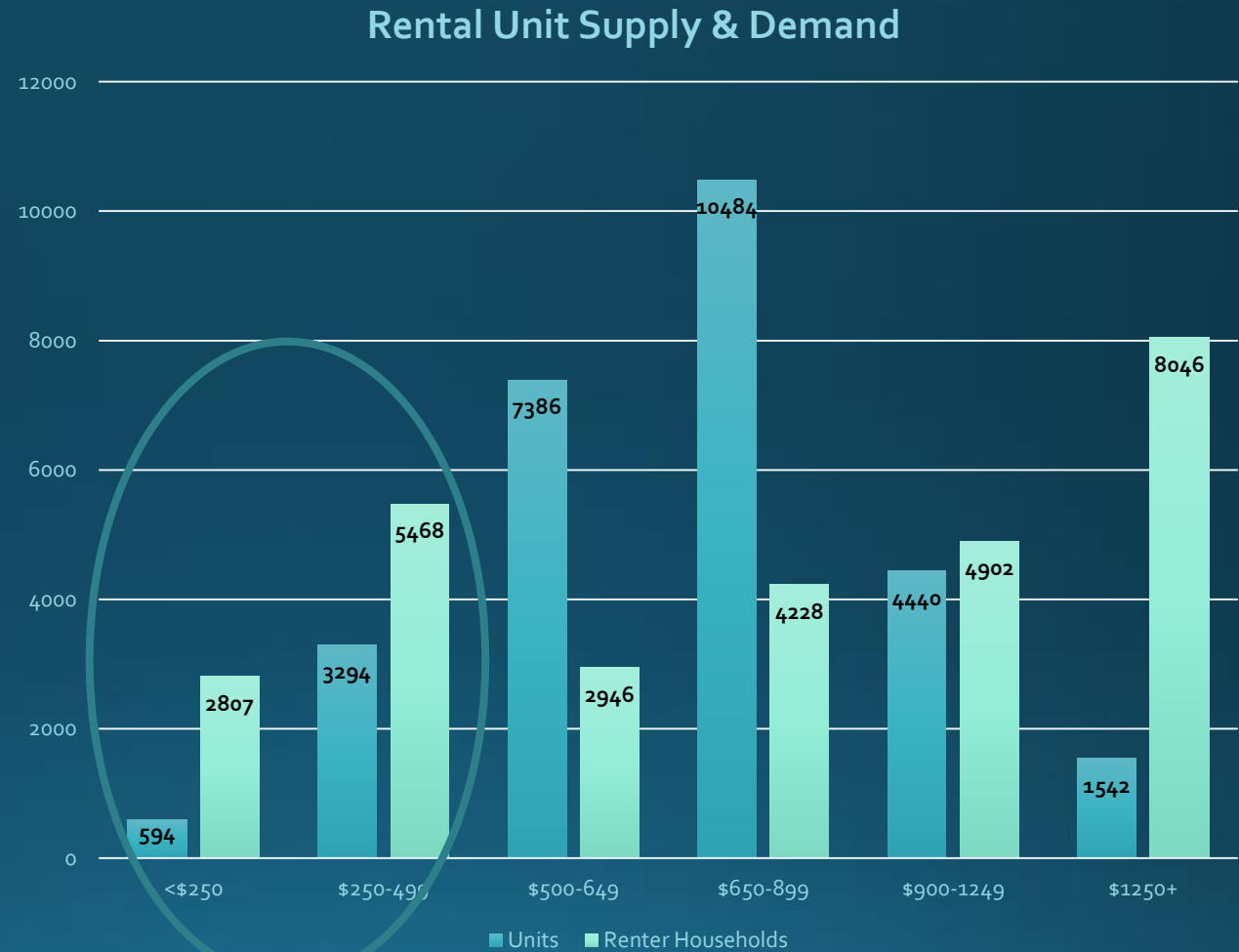
Results of Project RUSH Study

8 Strategic Areas of Focus

1. Share Project RUSH data broadly within the community to promote a comprehensive and collaborative approach to addressing the complex issue of homelessness and housing instability.
2. Streamline current services to maximize value delivered.
3. Focus on barrier removal to enhance opportunities for increased education and employment advancement.
4. Promote and/or create opportunities for ongoing supportive services and case management.
5. Promote and/or create opportunities for trauma-informed care, response, and programming.
6. Place special focus on childhood and young adult success.
7. Increase affordable, permanent housing opportunities.
8. Engage community to promote social inclusion and eliminate stereotypes and misperceptions.

Demand for affordable housing

When examining the distribution or rental rates to renter household incomes, there is a significant shortage of rental housing with a gross rent of \$500 or less. According to the American Community Survey in 2013, there were more than twice as many households with a low income than there were rental units charging \$500 or less. Some of the low income households may have had access to some form of subsidized housing, but the number of lower income renter households also greatly exceeded the subsidized housing resources.



Source: Appleton/Fox Cities Affordable Housing Study – Wilder Survey Report

Community Development Block Grant (CDBG) Goals

The primary goal of the City of Appleton's CDBG Program is the creation of a thriving urban community through provision of assistance to low- and moderate-income households in the forms of basic shelter, affordable housing opportunities, expanded economic opportunities, suitable living environments and supportive services related to residential, financial and social stability.

The priority needs for the City's Five-Year Consolidated Plan (2015-2019) are included in the following table:

Five-Year Goals	Five-Year Goal Outcomes
Improve and maintain housing stock	175 owner-occupied homes rehabilitated
Homebuyer assistance	40 first-time homebuyers receive downpayment assistance
Rental rehabilitation	40 rental units rehabilitated
Acquisition for new housing	15 new housing units
Public facilities improvement and maintenance	900 persons assisted through allocations to community based agencies for facility improvement and maintenance activities
Neighborhood revitalization	10,000 persons assisted through various public facility improvements
Public services	5,500 persons assisted through provision of various public services

City of Appleton Goals

From Appleton's Economic Development Strategic Plan:

- Improve and diversify Appleton downtown housing choices

From Appleton's Comprehensive Plan 2010-2030:

Goal 1 – Community Growth

- Appleton will continue to provide opportunities for residential, commercial, and industrial growth, including appropriate redevelopment sites within the downtown and existing neighborhoods and greenfield development sites at the City's edge.

Goal 3 – Housing Quality and Affordability

- Appleton will provide a variety of rental and ownership housing choices in a range of prices affordable to community residents, and ensure that existing housing is adequately maintained in terms of physical quality and market viability.

City of Appleton Goals (continued)

From Appleton's Comprehensive Plan 2010-2030 (continued):

OBJECTIVE 5.3 Housing and Neighborhoods:

- Provide a range of housing styles that meet the needs and appeal to all segments of the community.

OBJECTIVE 7.1 Utilities and Community Facilities:

- Provide a pattern of development that minimizes impacts to municipal services and utilities.

OBJECTIVE 10.1 Land Use:

- Provide an adequate supply of suitable land meeting the demand for development of various land uses.

Growing Demand Nationally for Smaller Homes

Downsizing/Minimalizing – movement being driven primarily by 2 groups:

1. Millennials

- Have high student loan debt
- Seeking to live a simpler life
- Spend less money on housing; Spend more on cultural activities, luxury items, travel
- Staying single much longer than previous generations and don't need (or want) the space of a larger home

1. Baby Boomers

- Seeking ways to stretch pension
- Spend more time/money on travel
- Children are grown and they don't need (or want) the space of a larger home

Benefits of Small Homes

People who downsize from a larger home and into a small or even a tiny house experience the following benefits:

- Less time maintaining house/yard; more time spent with family and friends
- Less clutter/better organization.
- Housing costs, including utilities and future maintenance, are less expensive.
- It feels cozy and easy to manage.
- It's better for the environment.
- Less stress by not living paycheck to paycheck; more savings

"Roughly three-quarters of Americans are living paycheck-to-paycheck, with little to no emergency savings, according to a survey released by Bankrate.com...22% of the 1,000 people it recently surveyed had less than \$100 in savings to cover an emergency, while 46% had less than \$800. After paying debts and taking care of housing, car and child care-related expenses, the respondents said there just isn't enough money left over for saving more." –

From CNN Money Report, June 24, 2013

Small Home Community Concept

Due to the growing demand for smaller homes and their potential to be affordable long-term without government subsidies, City staff is researching the feasibility of a Small Home Community.

- 5-7 Units (small pilot project)
- Small homes (300-900 sf) – due to the affordable construction of smaller homes, these are affordable long-term
- Built on permanent foundation in the City of Appleton
- Built according to current housing standards
- Energy efficient
- Mixed-income (51% low-mod income)
- Mix of owner and renter occupied
- Built to maximize space needs (quality vs quantity)

If this concept proves not feasible, staff will focus on creation of a different affordable housing project.

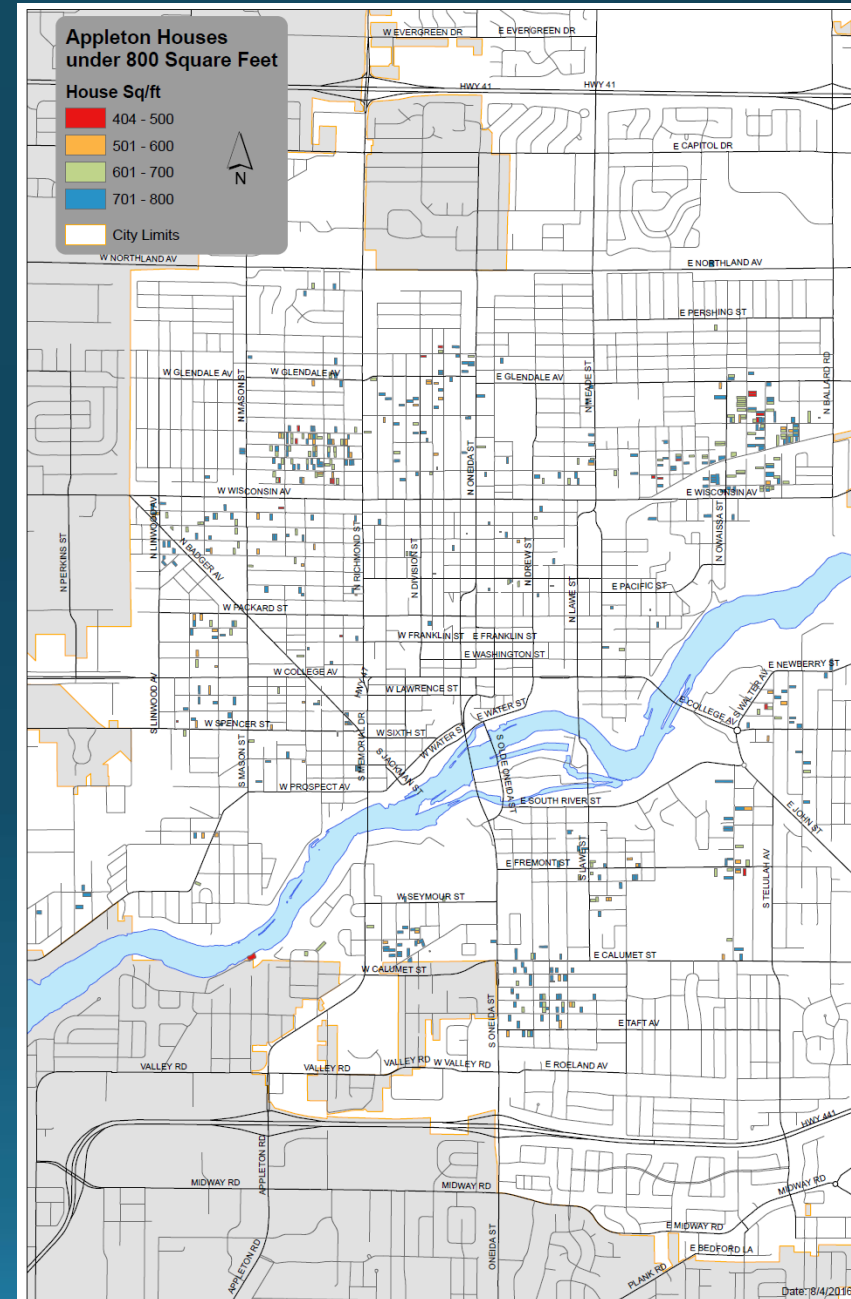
History of Smaller Homes in Appleton

In 1900, the average house in the U.S. was a mere 700 sq. ft. with an average of 4.6 people living inside. A hundred years later, the average home had mushroomed to 2,500 sq. ft. with only 2.5 residents.

There are currently over 500 homes in the City of Appleton that are less than 800 sf.

Ways to build small homes in Appleton:

- Request variance through Board of Appeals
- Planned Development Overlay (rezoning of site)



Zoning Requirements

Sec. 23-51. Zoning with design requirements.

(a) No single-family or two-(2-) family dwelling shall be erected or installed in any zoning district within the City of Appleton unless the structure is set on a fully basement or other permanent enclosed foundation which meets the standards set forth in subchapters III, IV, and V of Ch. ILHR 21, Wis. Adm. Code and all site construction is in compliance with Chapters ILHR 21-25, Wis. Adm. Code, the Uniform Dwelling Code.

(b) In addition to (a) above, residential structures must conform to the following:

1. A one (1) story structure shall have a minimum living area of at least nine hundred (900) square feet and a two- (2-) story structure shall have a minimum first floor living area of at least seven hundred (700) square feet;
2. Minimum width (i.e., the short side) of every dwelling shall be at least twenty-five (25) feet. Attached garages, carports, and open decks shall not be included in the measurement of the width of the dwelling;
3. The structure shall have a minimum of 4/12 pitched roof on a minimum of seventy-five percent (75%) of the structure;
4. All dwellings shall be placed on an enclosed permanent foundation that does not extend more than twelve (12) inches of exposed concrete foundation above the exterior finished grade of the lot. An exception is when the grade of the lot slopes, in which case only that portion of the foundation which is on the highest point of the lot must meet the requirements of this paragraph.

(c) The Board of Appeals may not grant any variance from the requirements of (a). **The Board of Appeals may grant a variance from the requirements of (b) only if the Board of Appeals specifically finds that the architectural style proposed provides compensating design features and that the proposed dwelling will be compatible and harmonious with other dwellings in the vicinity.**

(d) Single-family and two-(2-) family dwellings that do not meet the above requirements as of November 19, 1995, are considered to be in conformity.

(Ord 118-95, §1, 11-15-95)

Concept Subject to Further Review

- A small home community would likely require a Planned Development (PD) Overlay Rezoning, which is used in unique cases where the proposal doesn't fit within the base zoning standards of the district in Chapter 23.
- PDs have been used to create high quality developments that don't meet all the standards of a particular zoning district. Examples of exceptions that are often granted include height, set-backs, density, parking, and other uses.
- RiverHeath, Eagle Flats, both hospitals in Appleton, a number of apartment and condo complexes and areas like Wal-Mart and Home Depot have all used PDs to allow quality developments that could not have occurred under the district base standards of the Zoning Ordinance.
- A Planned Development is a rezoning and would go to Plan Commission and Council for final approval. A public hearing would also be held.

Meeting CDBG Objectives

The proposal from the Community & Economic Development Department is for \$200,000 to support site acquisition and infrastructure for “meeting community needs and enhancing quality of life” by creating a small home community that will expand housing options that are affordable for all residents of the City of Appleton.

The project meets the needs of low- and moderate-income persons. At least 51 percent of the participants or beneficiaries of the project will meet the low- and moderate-income guidelines.

FY 2016 Income Limit Category	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
Extremely Low (30%)	\$ 15,550	\$ 17,750	\$ 20,160	\$ 24,300	\$ 28,440	\$ 32,580	\$ 36,730	\$ 40,890
Very Low (50%)	\$ 25,850	\$ 29,550	\$ 33,250	\$ 36,900	\$ 39,900	\$ 42,850	\$ 45,800	\$ 48,750
Low (80%)	\$ 41,350	\$ 47,250	\$ 53,150	\$ 59,050	\$ 63,800	\$ 68,500	\$ 73,250	\$ 77,950

CDBG Application Consideration

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