



Meeting Agenda - Final
Community & Economic Development Committee

Wednesday, December 9, 2020

4:30 PM

Council Chambers, 6th Floor

1. Call meeting to order

2. Roll call of membership

3. Approval of minutes from previous meeting

[20-1559](#) CEDC Minutes from 11-11-20

Attachments: [CEDC Minutes 11-11-20.pdf](#)

4. **Public Hearings/Apearances**

[20-1560](#) Second Substantial Amendment to the Community Development Block Grant (CDBG) 2020 Annual Action Plan (AAP) reallocating \$78,386, originally awarded to Habitat for Humanity's Homeownership Program, [as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) funding], to the City of Appleton's Motel Voucher Program (Associated with Action Item #20-1561)

Attachments: [AAP Second Substantial Amendment - Public Comment Period Notice 12-4-20](#)
[AAP Second Substantial Amendment - Notice of Public Hearing 12-4-20.pdf](#)

5. **Action Items**

[20-1561](#) Request to approve Second Substantial Amendment to the Community Development Block Grant (CDBG) 2020 Annual Action Plan (AAP) reallocating \$78,386, originally awarded to Habitat for Humanity's Homeownership Program, [as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) funding], to the City of Appleton's Motel Voucher Program

Attachments: [2020 AAP Second Substantial Amendment Memo to CEDC 12-9-20.pdf](#)
[HUD DECISION Substantial Amendment for CARES Act Funding.pdf](#)
[2020 AAP Second Substantial Amendment Draft 11-30-2020.pdf](#)

6. **Information Items**

7. Adjournment

Notice is hereby given that a quorum of the Common Council may be present during this meeting, although no Council action will be taken.

Any questions about items on this meeting are to be directed to Karen Harkness, Director, Community and Economic Development Department at 920-832-6468.

Reasonable Accommodations for Persons with Disabilities will be made upon Request and if Feasible.



City of Appleton

100 North Appleton Street
Appleton, WI 54911-4799
www.appleton.org

Meeting Minutes - Final Community & Economic Development Committee

Wednesday, November 11, 2020

4:30 PM

Council Chambers, 6th Floor

1. Call meeting to order

Meeting called to order at 4:30 p.m.

2. Roll call of membership

Present: 4 - Coenen, Firkus, Otis and Thao

Excused: 1 - Reed

Others present:

Aldersperson Kyle Lobner, District #13

John Weyenberg, Fox Cities Habitat for Humanity

Julie Stoffel, WWBIC - Wisconsin Women's Business Initiative Corp.

Chip Wood, Rebuilding Together Fox Valley

Karen Harkness, Director of Community & Economic Development

Nikki Gerhard, Community Development Specialist

Matt Rehbein, Economic Development Specialist

3. Approval of minutes from previous meeting

[20-1460](#)

CEDC Minutes from 10-14-20

Attachments: [CEDC Minutes 10-14-20.pdf](#)

Thao moved, seconded by Firkus, that the Minutes be approved. Roll Call.

Motion carried by the following vote:

Aye: 4 - Coenen, Firkus, Otis and Thao

Excused: 1 - Reed

4. Public Hearings/Appearances

5. Action Items

[20-1461](#)

Request to approve 2021-2022PY Community Development Block Grant (CDBG) Community Partner Allocation Recommendations

Attachments: [Alloc Recs Memo to CEDC 11-11-20.pdf](#)
[2021 CDBG Advisory Board Membership.pdf](#)
[Approved CDBG Policy 10-14-2020.pdf](#)
[2021 CDBG Community Partner Award Recommendations.pdf](#)
[2021 CDBG Simple Summary Award Recommendations.pdf](#)

Otis moved, seconded by Firkus, that the Report Action Item be recommended for approval. Roll Call. Motion carried by the following vote:

Aye: 4 - Coenen, Firkus, Otis and Thao

Excused: 1 - Reed

[20-1511](#)

Request to approve a six (6) month extension to the Planning Option Agreement with Merge, LLC (d/b/a Merge Urban Development Group) for a potential mixed-use development located on the former Blue Ramp and Conway Hotel sites

Attachments: [Merge Option Extension Memo_11-11-20.pdf](#)
[Term Extension Planning Option Agree MERGE 11-09-2020 Draft.pdf](#)
[Merge Option Memo to CEDC 1-29-20.pdf](#)
[Planning Option Agreement_Merge LLC-City of Appleton_v3_Signed.pdf](#)
[Map_Blue Ramp+Conway Hotel.pdf](#)
[Letter of Intent_Merge_11-29-19.pdf](#)
[Merge Projects + References.pdf](#)

Otis moved, seconded by Firkus, that the Report Action Item be recommended for approval. Roll Call. Motion carried by the following vote:

Aye: 4 - Coenen, Firkus, Otis and Thao

Excused: 1 - Reed

[20-1512](#)

The Community and Economic Development Committee may go into closed session pursuant to State Statute §19.85(1)(e) for the purpose of discussing real estate negotiations regarding the potential sale of the former Blue Ramp and Conway Hotel sites in Downtown Appleton and then reconvene into open session

The Committee did not go into closed session.

6. Information Items

7. Adjournment

Otis moved, seconded by Coenen, that the meeting be adjourned at 4:39 p.m.
Roll Call. Motion carried by the following vote:

Aye: 4 - Coenen, Firkus, Otis and Thao

Excused: 1 - Reed

**Notice to the Public
Concerning the City of Appleton
Community Development Block Grant Program
2020-2024 Consolidated Plan & 2020 Annual Action Plan**

As a participant in the U.S. Department of Housing and Urban Development's Community Development Block Grant Program, the City is required to hold a public comment period when amendments are proposed to the Consolidated Plan and the Annual Action Plan. The general public has a period of 5 days – December 4 to December 9, 2020 – to offer comments on the proposed amendment. Written comments may be submitted via email to nikki.gerhard@appleton.org or via U.S. Mail to: City of Appleton – Community and Economic Development Department; 100 North Appleton Street; Appleton, WI 54911. A summary of all comments received in writing during this period will be attached to the substantial amendment when presented to Common Council for approval.

A copy of the proposed amendment is available on the CDBG website at <https://www.appleton.org/government/community-and-economic-development/grants-administration/news-announcements-6880> starting December 4, 2020.

Run: December 4, 2020

City of Appleton
Community Development Block Grant Program (CDBG)
Notice of Second Substantial Amendment to the
2020 Annual Action Plan

A public hearing will be held at a regularly scheduled Community and Economic Development Committee meeting on Wednesday, December 9th, 2020, beginning at 4:30 p.m. in Council Chambers on the Sixth Floor of Appleton City Hall, 100 N. Appleton Street, Appleton, WI. The primary function of this hearing is to obtain citizen views on the proposed 2020 Annual Action Plan substantial amendment (second version), reallocating \$78,386 of CDBG CARES Act funding to the City of Appleton's Motel Voucher Program.

The CDBG-CV funding has been allocated to activities that prevent, prepare for, or respond to COVID-19. For more information on Appleton's CDBG Program, please visit the web site at <https://www.appleton.org/government/community-and-economic-development/grants-administration>, or for questions about project/program eligibility, contact Nikki Gerhard at 920-832-6469 or email at nikki.gerhard@appleton.org.

Run: December 4, 2020



MEMORANDUM

“...meeting community needs...enhancing quality of life.”

TO: Community and Economic Development Committee
FROM: Nikki Gerhard, Community Development Specialist
DATE: December 9, 2020
RE: 2020 Community Development Block Grant CARES Act Funding (CDBG-CV) - Second Amendment

During the October 14, 2020 CEDC meeting, alderpersons approved a proposed substantial amendment to the 2020-2024 Consolidated Plan, as well as the 2020 Annual Action Plan. This substantial amendment incorporated and allocated the special allocation of \$348,255 in Community Development Block Grant funding to be used to prevent, prepare for, and respond to COVID-19. This allocation was authorized by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) to respond to the growing effects of the public health crisis.

Since that time, City staff has been informed by HUD that the allocation of \$78,386, originally awarded to Habitat for Humanity’s Homeownership Program, was not an eligible use of the funding. Therefore, staff makes the following proposal, reallocating the \$78,386 to address instability in our community as a result of the COVID-19 health emergency. These recommendations will be considered by CEDC on December 9th and Common Council on December 16th, and will be incorporated into the CDBG 2020 Annual Action Plan as a second substantial amendment.

1. City of Appleton: Community & Economic Development Department’s Motel Voucher Program (\$78,386)

The City of Appleton’s Motel Voucher Program, approved by CEDC on July 22, 2020 and Council on August 5, 2020, is designed to ensure that individuals and families experiencing homelessness have a safe, temporary place to stay until a more permanent housing solution is identified. With colder weather upon us, and temperatures forecasted to drop below freezing, City staff is working collaboratively with local agencies to ensure additional access to shelter options. The Motel Voucher Program also includes a case management component, food, transportation, and connection to housing solutions.

The following attachments are provided for additional information for this action item.

Attached Documents:

- 1.) HUD communication email deeming Habitat for Humanity project ineligible
- 2.) 2020PY Annual Action Plan Second Substantial Amendment request

If you have any questions, please contact me at 832-6469 or nikki.gerhard@appleton.org. Thank you!

Brenda Broeske

From: Turman, Maryvel <maryvel.turman@hud.gov>
Sent: Tuesday, November 17, 2020 12:54 PM
To: Nikki A. Gerhard
Cc: Monica Stage; Karen Harkness; Ryne W. Lodl; Werra, Garry M
Subject: DECISION: Substantial Amendment for CARES Act Funding

Importance: High

Nikki,

The City's 11/04/2020 response and proposal have been reviewed by HUD HQ and Regional Cares Act staff. HUD concurs that Project #13 CV-Habitat for Humanity-Affordable Housing Project is an eligible CDBG activity; however, the activity does not appear to meet the CDBG-CV requirement to prepare for, prevent, or respond to Coronavirus.

HUD will return the City's CDBG-CV substantial amendment in IDIS to allow you to remove this activity and reallocate \$78,386 of CV funds to a new or existing CV project. Because IDIS does not provide me with notifications of plan submittals, I ask that you please send me an email when the modified substantial amendment is complete.

Maryvel Turman, Senior CPD Representative & Homeless Coordinator



U.S. Department of Housing & Urban Development
Office of Community Planning and Development
Milwaukee Field Office
310 W. Wisconsin Avenue, #950
Milwaukee, WI 53203



maryvel.turman@hud.gov



(414) 935-6643



(414) 935-6779

<http://www.hud.gov>

From: Nikki A. Gerhard <Nikki.Gerhard@Appleton.org>
Sent: Wednesday, November 04, 2020 12:16 PM
To: Turman, Maryvel <maryvel.turman@hud.gov>
Cc: Monica Stage <Monica.Stage@appleton.org>; Werra, Garry M <Garry.M.Werra@hud.gov>; Karen Harkness <Karen.Harkness@Appleton.org>; Ryne W. Lodl <Ryne.Lodl@Appleton.org>
Subject: RE: RESPONSE NEEDED: Substantial Amendment for CARES Act Funding

Good Afternoon Maryvel,

Please consider this my formal response and proposal to how funding Project #13 CV-Habitat for Humanity- Affordable Housing Project does in fact meet the PPR requirements as it relates to COVID-19.

What happens when 'stay at home' means staying in an unhealthy place? As a result of COVID-19, more than 300 million people in 42 states have been asked to "stay at home" — and now more than ever, home is everything. Home is the place to stay safe from a global pandemic. And for many of us, our home also has suddenly become our school, our barbershop, our restaurant, our office, our movie theater. For many, "stay at home" has meant the inconvenience of a changed routine. But for the thousands of Appleton families sheltering in place, the substandard, overcrowded or unaffordable housing situations they live with have only increased their feelings of uncertainty and vulnerability.

We know firsthand that better, affordable living conditions lead to improved health and stronger childhood development. We know that they give families the ability — and financial flexibility — to make forward-looking choices. Proper shelter creates jobs, revitalizes neighborhoods, attracts employers, increases consumer spending and government revenues, and lowers the risk of foreclosure, all while bringing transformative benefits to families and developing resiliency in communities.

Before this pandemic, the world was already experiencing a housing crisis. COVID-19 has revealed its extent, and added to its urgency. Habitat for Humanity is needed now more than ever. And — now more than ever — we need resources to help families find housing stability.

The scope and impact of COVID-19 is unprecedented. It has led to a near halt of the U.S. economy, with over 20 million people losing their jobs, and the impact will be felt throughout the economy for months and years to come. While not immediately obvious to some, the pandemic's effect on housing will be significant and lasting. Based on history, it's likely that the negative effects will be disproportionately borne by vulnerable communities and low-income individuals. As the economic shocks from this crisis ripple out, these families will be hit hardest. They always are. Low-income households are particularly at risk because of their economic instability and their concentration in service industry and other hourly jobs that have some of the highest risk of COVID-19 disruptions. Given that 100% of Habitat's homeowners have low incomes, nearly all are first-time homeowners. Habitat has always worked to provide flexibility to homebuyers to ensure long- term success, but COVID-19 increases the economic need for these families.

Many of the families in Habitat's current pipeline represent the front-line workers who are fulfilling essential duties during this crisis. These are the individuals bagging groceries, delivering packages, preparing food and working in hospitals. The uncertainty that so many of us feel today, these families have felt for a lifetime — if not generations. The need doesn't go away just because the economy has stalled. In fact, the need is growing. Over 500,000 Americans are homeless. Forty percent of renters are considered cost-burdened. Nearly 6 million Americans live in substandard housing. In an estimated 12 million of these households, at least one contributing member works in an at-risk industry.

Every day, front-line Habitat for Humanity staff members continue to make affordable homeownership a reality for families. They are working virtually to service mortgages and coach homeowners to ensure that they can stay in their homes. They are pivoting homeowner services, education and financial planning to virtual environments and making payroll to ensure that when our country emerges from this pandemic, Habitat is not just prepared to continue building, but also to accelerate to meet the increased need for affordable housing.

The Greater Fox Cities Habitat for Humanity needs to ensure that they are able to continue - and accelerate - their work in the City of Appleton to ensure that everyone has a decent place to call home. As the economic shocks from this crisis ripple out, the need for affordable, safe and healthy housing is more apparent than ever. The last homeowner application cycles have resulted in record numbers of applications, demonstrating the need for affordable housing solutions in our community.

Maybe the single biggest impact of the coronavirus has been the downward pressure on the limited affordable housing stock and the exponential increase in the cost to build and renovate affordable homes. As middle income families are

losing their jobs or experiencing reduced income, they are “renting down” and filling any available affordable housing units in the community. This downward pressure forces low-income families (who are experiencing the same or greater financial pressures) to not have options for an affordable place to live. As mentioned above, the effects of this will be long-lasting, forcing lower income families to become homeless or rent units that are well beyond their reduced financial means. New affordable housing is near impossible to create in the for-profit sector due to the increased construction costs, so Habitat for Humanity is one of the only solutions to increase the supply for lower income families.

Lastly, evictions and foreclosures are anticipated to grow rapidly in the months ahead as landlords are able to begin evicting families behind on their rent and banks will reach the “end of their rope” on forbearance agreements. These actions will have a tremendous impact on the already depleted inventory of affordable housing in our community.

I hope you find this justification sufficient as to why the City of Appleton determined it integral to fund the Greater Fox Cities Habitat for Humanity with CDBG-CV1 funds.

Thank you for your re-consideration.

Nikki

Nikki A. Gerhard

Community Development Specialist
City of Appleton
100 N Appleton Street
Appleton, WI 54911
(920) 832-6469
nikki.gerhard@appleton.org



From: Turman, Maryvel <maryvel.turman@hud.gov>
Sent: Tuesday, November 3, 2020 11:33 AM
To: Nikki A. Gerhard <Nikki.Gerhard@Appleton.org>
Cc: Monica Stage <Monica.Stage@appleton.org>; Werra, Garry M <Garry.M.Werra@hud.gov>
Subject: RESPONSE NEEDED: Substantial Amendment for CARES Act Funding

Hello Nikki,

Completed my review of the City’s Substantial Amendment for CARES Act Funding received on 10/26/20. According to the highlighted Federal Register Section III.B.5.(f) below, we do not believe that Project #13 CV- Habitat for Humanity - Affordable Housing Project to acquire 2 houses for rehabilitation and sale to LMI household qualify as meeting the Prepare, Prevent and Respond (P, P, & R) requirements. In addition, this proposed activity does not appear to meet the examples highlighted in the CDBG Eligibility Quick Guide (attached).

Section III.B.5.(f) Eligible Activities

Grantees may use CDBG-CV funds only for those activities carried out to prevent, prepare for, and respond to coronavirus. By law, use of funds for any other purpose is unallowable. To satisfy these purposes, grantees may assist activities that respond to direct effects, such as the need to rehabilitate a building to add isolation rooms

for recovering coronavirus patients. A grantee may also undertake activities to address indirect effects of the virus, such as the economic and housing market disruptions caused by social distancing measures and stay at home orders implemented to prevent the spread of coronavirus.

To determine if this project is eligible and prior to returning the substantial amendment, how do you propose Project #13 would meet the PPR requirements as it relates to the coronavirus? Please provide a response by Thursday, November 5th. Thank you



Maryvel Turman, Senior CPD Representative & Homeless Coordinator

U.S. Department of Housing & Urban Development
Office of Community Planning and Development
Milwaukee Field Office
310 W. Wisconsin Avenue, #950
Milwaukee, WI 53203



maryvel.turman@hud.gov



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SECOND SUBSTANTIAL AMENDMENT TO THE CITY OF APPLETON'S 2020 ANNUAL ACTION PLAN

A. EXECUTIVE SUMMARY

The U.S. Department of Housing and Urban Development (HUD) requires all entitlement communities receiving Community Development Block Grant (CDBG) funds, such as the City of Appleton, to prepare and submit a Consolidated Plan every five years to establish a unified, strategic vision for economic development, housing and community development actions. The Consolidated Plan encompasses the analysis of local community needs and coordinates appropriate responses to those needs and priorities. The City of Appleton City Council adopted the 2020-2024 Five Year Consolidated Plan (“Consolidated Plan”) on December 18, 2019.

The Consolidated Plan is carried out through Annual Action Plans, which provide a concise summary of the actions, activities, and the specific federal and non-federal resources that will be used each year to address the priority needs and specific goals identified in the Consolidated Plan. The City must submit an Annual Action Plan to HUD by no later than February 15 of each year during the five-year period (unless otherwise specified by HUD). The City of Appleton Council adopted the 2020 Annual Action Plan on March 18, 2020, and it was submitted to HUD on March 19, 2020.

Per the City’s Citizen Participation Plan (CPP), a substantial amendment to a Consolidated Plan and Annual Action Plan is required when a “substantial” change is proposed as it relates to funding priorities, proposed activities, goals and objectives. This substantial amendment to the Annual Action Plan is necessary because the City has identified an existing activity that it wishes to allocate additional funds to.

B. CITIZEN PARTICIPATION

A Notice of Public Hearing was published in the Appleton Post Crescent on December 4, 2020, and a 5-day public review period was published on December 4, 2020, informing the public of the proposed Substantial Amendment and inviting comments at the public hearing, during a regularly scheduled Community & Economic Development Committee meeting. The public review period will begin on December 4, 2020 and will end on December 9, 2020 (same day as public hearing). Citizens are able to review copies of the Substantial Amendment at the City’s CDBG website and the Customer Service desk on the first floor of City Hall.

C. CHANGES TO THE 2020 ANNUAL ACTION PLAN

The City is proposing to reallocate \$78,386 to the City of Appleton’s Motel Voucher Program. The following table outlines the proposed activity described in this Substantial Amendment:

Table 1: Proposed Activity Budget

Agency/Program	CDBG-CV Allocation
City of Appleton Motel Voucher Program	\$78,386
TOTAL	\$78,386

D. 2020 PROPOSED ACTIVITY DETAIL

The following narrative provides activity descriptions, national objectives, and other required information for the proposed activity.

City of Appleton's Motel Voucher Program (\$78,386)

The City of Appleton's Motel Voucher Program, approved by CEDC on July 22, 2020 and Council on August 5, 2020, is designed to ensure that individuals and families experiencing homelessness have a safe, temporary place to stay until a more permanent housing solution is identified. With colder weather upon us, and temperatures forecasted to drop below freezing, City staff is working collaboratively with local agencies to ensure additional access to shelter options. The Motel Voucher Program also includes a case management component, food, transportation, and connection to housing solutions.

E. PUBLIC COMMENTS

All public comments received during the 5-day public review period or at the public hearing will be incorporated into the overall Substantial Amendment submitted to HUD.