

## Brenda Broeske

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**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  
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**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*

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**From:** Turman, Maryvel <[maryvel.turman@hud.gov](mailto:maryvel.turman@hud.gov)>  
**Sent:** Tuesday, November 3, 2020 11:33 AM  
**To:** Nikki A. Gerhard <[Nikki.Gerhard@Appleton.org](mailto:Nikki.Gerhard@Appleton.org)>  
**Cc:** Monica Stage <[Monica.Stage@appleton.org](mailto:Monica.Stage@appleton.org)>; Werra, Garry M <[Garry.M.Werra@hud.gov](mailto: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*

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