



MEMORANDUM

TO: Finance Committee

FROM: Kara Homan, AICP, Director of Community & Economic Development
Jeri Ohman, Director of Finance

DATE: April 21, 2023

RE: American Rescue Plan Act - Affordable Housing Production Grant;
Recommendation to Award Greater Fox Cities Habitat for Humanity, Inc.

The City of Appleton, via its American Rescue Plan Act (ARPA) consultant, Booth Management Consulting (BMC), released an Affordable Housing Production Grant as a first step to allocate the City's \$3 million ARPA Affordable Housing allocation, as previously approved/budgeted. Grants were due December 12, 2022. Two applications were received, requesting a total of approximately \$2 million. Both applications were reviewed by BMC for completeness and ARPA program alignment/regulatory compliance. A \$1,000,000 grant to RISE Apartments, LLC was previously approved by the Common Council on February 1, 2023. City funding for that project (ARPA grant + TIF Incentive) amounted to a contribution of ~\$38,350 per affordable housing unit.

City Finance and Community & Economic Development staff are advancing a recommendation for the second application, summarized below.

Project Applicant: Greater Fox Cities Habitat for Humanity, Inc.
Project Name: Habitat for Humanity Scattered Site Homeownership
Initial Grant Request: \$995,105
Total Project Cost: \$1,576,284 (est.)

Project Description: Initial grant application proposed construction of 7 homes for low-to-moderate income households (below 65% of AMI) in high opportunity areas. Four homes would be constructed on existing Habitat for Humanity-owned sites (530 N. Locust St, 2501 N. Meade St, 1630 S. Mayfair Dr., and 2322 ½ Prospect Ave), and three on lots to be purchased in the future. The request as submitted amounts to a contribution of ~\$142,158 per unit.

Staff has proactively worked with Habitat for Humanity to discuss a partial award that would bring the city's contribution more closely in alignment with the per unit city-contribution of funding that occurred for the RISE Apartments affordable housing project (City funding = ARPA + TIF Incentive). The city's contribution for that project amounted

to ~\$38,350 per affordable housing unit (43 in total). Habitat for Humanity is agreeable to accept the modified award described below.

Modified Proposal: Construct 4 new homes; 3 at Habitat for Humanity-owned sites (530 N Locust, 2501 N. Meade St, and 2322 ½ Prospect Ave) and 1 at a to-be-determined site to be purchased in the future.

Proposed Grant Award: \$200,000

Total Project Cost: \$875,823 (est.)

Per unit City contribution: \$50,000 per affordable housing unit

Staff Recommendation:

Staff recommends **APPROVAL** of an ARPA Affordable Production Housing grant allocation of \$200,000 to Greater Fox Cities Habitat for Humanity, Inc, to construct 4 homes for low-to-moderate income qualified households (65% AMI); one (1) at a future, to-be-determined site, and 3 at the following locations:

- 530 N Locust St
- 2501 N Meade St
- 2322 ½ W Prospect Ave