MEMORANDUM

"…meeting community needs…enhancing quality of life."

TO: Finance Committee

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

DATE: January 18, 2023

RE: Request to award ARPA Affordable Housing grant funds to RISE Apartments, LLC for a grant total not to exceed $1,000,000

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. Grant applications 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.

Finance and Community & Economic Development staff are advancing a recommendation for one grant application (Rise Apartments, LLC), summarized below. The second grant application remains under review by administration.

Project Applicant: RISE Apartments, LLC
Project Name: RISE Apartments
Grant Request: $1,000,000
Total Project Cost: $13,913,458 (est.)
Project Description: Construct a 48-unit affordable housing community at the NW and SW Corners of the intersection of Harris St. and N. Oneida St. in Downtown Appleton (See Exhibit 1: Concept Plan). Said project is in alignment with the *City's College Avenue North Neighborhood Plan*, and will provide 43 rental units dedicated to households earning less than 60% of Area Median Income. The project has been awarded WHEDA affordable housing tax credits & is also bound by a development agreement with the City of Appleton (executed December 2021, amended October 2022). Grant award will be used to keep the project financially solvent considering escalating construction costs due to inflationary pressures.

Staff Recommendation:
Staff recommends approval of an ARPA Affordable Housing grant allocation of $1,000,000 to RISE Apartments, LLC.
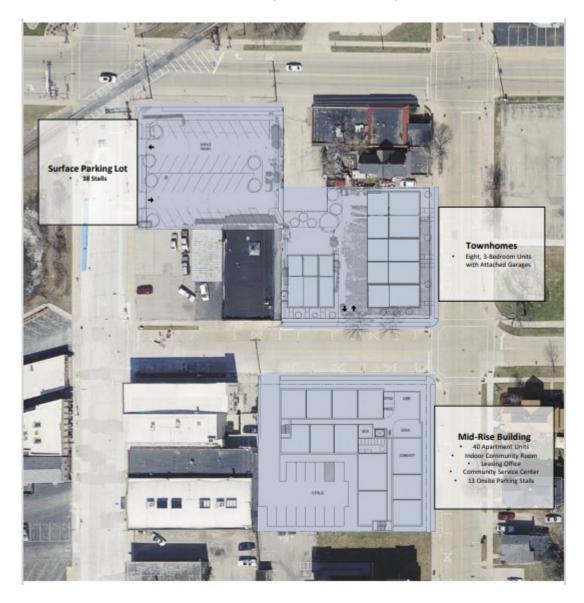
Exhibit 1: RISE Apartments Concept Plan