



MINUTES OF THE FUNDING ADMINISTRATION SUBCOMMITTEE OF THE REDEVELOPMENT AUTHORITY OF THE CITY OF GREEN BAY

**THURSDAY, MAY 2, 2019, 1:30 PM
CITY HALL, ROOM 604 - THE HARRY MAIER ROOM**

A. ROLL CALL.

I. Members: Ald. Barbara Dorff, James Blumreich, Melanie Parma, and Deby Dehn

Members Present: Deby Dehn, Barbara Dorff, James Blumreich, Melanie Parma

Excused: None

B. APPROVAL OF AGENDA.

I. Approval of the agenda for the May 2, 2019, Funding Administration Subcommittee of the Redevelopment Authority.

Moved by Ald. Barbara Dorff, seconded by Melanie Parma to approve the agenda for the May 2, 2019, Funding Administration Subcommittee. Motion carried.

Yes- James Blumreich, Barbara Dorff, Melanie Parma, Deby Dehn, No- None, Abstain- None

C. REGULAR BUSINESS.

I. Consideration with possible action on draft 2019 Annual Action Plan and funding recommendation for RDA.

Moved by Ald. Barbara Dorff, seconded by Deby Dehn to approve draft 2019 Annual Action Plan and funding recommendation for RDA. Motion carried.

Yes- James Blumreich, Barbara Dorff, Melanie Parma, Deby Dehn, No- None, Abstain- None

2. Consideration with possible action on funding levels for HOME affordable housing projects.

Moved by Melanie Parma, seconded by Ald. Barbara Dorff to open the floor for discussion. Motion carried.

Yes- James Blumreich, Barbara Dorff, Melanie Parma, Deby Dehn, No- None, Abstain- None

Moved by Melanie Parma, seconded by Ald. Barbara Dorff to close the floor for discussion. Motion carried.

Yes- James Blumreich, Barbara Dorff, Melanie Parma, Deby Dehn, No- None, Abstain- None

Moved by Barbara Dorff, seconded by Melanie Parma to recommend to the RDA to use 2018 HOME funding for affordable housing projects on two-story builds and use 2019 HOME funding to focus on accessible, smaller rentals. Motion carried.

Yes- James Blumreich, Barbara Dorff, Melanie Parma, Deby Dehn, No- None, Abstain- None

D. ADJOURNMENT.

Moved by Ald. Barbara Dorff, seconded by Melanie Parma to adjourn. Motion carried.

Yes- James Blumreich, Barbara Dorff, Melanie Parma, Deby Dehn, No- None, Abstain- None

VERBATIM MINUTES

- Can we have a roll call please?

- Alder Dorff.

- Here.

- Jim Blumreich.

- I am here.

- Melanie Parma.

- Here.

- Debby Dehn is here.

- Thank you all for coming.

- We have a quorum.

- We have a quorum, thank you. And with that, first item on the agenda is approval of said agenda, what are your wishes?

- Move to approve.
- Motion, do we have a second?
- Second.
- Second, all in favor signify by saying aye.
- [Together] Aye.
- Opposed? Thank you, that agenda is approved. Now the first item is consideration with possible action on draft 2019 Annual Action Plan and funding recommendation for the RDA.
- [Krista] Okay, so that's me, it's that time of year again.
- Well some are new.
- [Krista] Okay, so, the City of Green Bay is an entitlement community, and each year we receive Community Development Block Grant funds, and HOME funds to distribute in our community. But with that, each year, well, at the beginning we had to have a consolidated plan which lists out our five year goals and objectives for this type of funding in our area. And then each year we have an Annual Action Plan that dives farther in and specifically sets up a budget for each type of activity that we want to do, or project that we want to do. So in your packets we have met with, I have had a public hearing to get testimony from the public to see what the needs are in the community, where they would like to see the funding going. And then I've also met with departments and with department heads to find out what their suggestions and what their needs are. And through all that I collected the information. We brought it to our projects team group, as a staff, and we put together these recommendations for funding. It follows, it's very similar to the prior two years, because we're still working on that five year consolidated plan, so most of the categories are what we have done in the past, the dollar amounts are very close to what we have budgeted in the past as well. And I guess I should say we this year we are receiving more block grant funds than we did in 2018 and 2017, there's an increase, so we're--
- That's why that, is that why that's--
- [Krista] This year, yeah, this year we're receiving \$1,013,190.00.
- [Cheryl] Which is how much more than last year, though?
- One million three thirteen.
- [Krista] It's \$12,000.
- [Cheryl] That's \$12,000 more.
- [Krista] \$12,000 more or less?

- Because doesn't it look like it went up a lot, like to \$329,552.00?
- [Krista] Yeah, it's that increasing from previous years. In 2017 we received \$927,456.00. In 2018 we received \$996,751.00. And then this year our allocation is \$1,013,190.00.
- I'm looking at a hard copy of it here.
- Oh you have a hard copy.
- Yeah.
- Oh I'd like a hard copy of that.
- I could give it to you, I don't need it.
- [Krista] There you go.
- Thank you. It'd just be easier to compare across.
- Yep.
- Mm hm.
- So we're also approving estimated program income.
- [Krista] Estimated program income, and on the second column of this spreadsheet I have program income, and this is based on what we've received last year. This could be any of our rehab loans that are repaying, that are the different loans that are out there. We have thousands of dollars out there in block grant funds, that those loans may come back in and recycle, so that's generating program income back into this program. And then we have our economic development revolving loan fund. Each month so much money per month comes in for those loan payments on those loans, and that goes directly back in to the revolving loan fund. So I'm anticipating \$300,000.00 worth of program income coming back into the program. \$200,000.00 of that is going to go directly back into that economic development program. And then the remaining \$100,000.00 will go back into the neighborhoods, in different types of activities underneath these CDBG eligible area projects, whether we use it for acquisition, demolition, rehab, emergency repair, historical preservation, there's a wide range of activities that we can use that money for. So would you like me to go through each line item, or did you get a chance to look over, do you have questions.
- I'd say let's talk about the footnotes first.
- [Krista] Okay.
- Do you have limitation on public services?
- [Krista] Yeah, so limitation on public services, we cannot spend over 15% of our allocation each year on public service activities. So those type of activities are like our Fair Housing activity, any sort of service that we provide to the community, whether it's through a non-profit organization that

provides services in the area, no more than 15% of the total allocation can go to that. So right now, we have \$106,000 of that set aside for those types of activities. The Fair Housing activity is something that's required, but we don't have the staff to do it in house, so we always contract that out each year. The cost has gone up, well it's staying the same since 2018, but it did go up from 2017, only \$5,000.00. Community Gardens, we support the Community Gardens UW extension with the Green Bay community gardens. So we put \$12,000.00 in there, that's to support those community gardens that are in Green Bay. Our public arts coordinator, we have her on staff. She provides services and she administers the beautification arts program under CDBG eligible areas. So she provides projects, or she creates projects--

- In our eligible areas.

- Yes.

- [Cheryl] So she concentrates those efforts on this allocation of dollars to put art in our block grant eligible areas.

- Is that, I just drove past the Wildlife Sanctuary, and I saw the palm tree, is that from some of this, or is it coming in--

- [Krista] I'm not sure if that is funded--

- [Cheryl] That's funded through the PAC I think, the Public Arts Commission.

- Oh, okay.

- [Cheryl] And so she might have had her hat out for that,

- [Krista] Mm hm.

- [Cheryl] I don't know if that was block grant, I don't think it was.

- No, it's, mm mm.

- It's kind of cool.

- [Cheryl] I haven't seen it yet.

- It's very cool.

- [Cheryl] I think it's the same artist who did the cactus in our front foyer.

- Oh.

- [Krista] And then we put in \$10,000.00 for an inspector intern, which is a new, possibly a new job creation this year.

- [Cheryl] It's coming to the RDA at your Tuesday meeting to request that position.

- Okay.
- [Cheryl] So it's Myrtle Beckman's on it, but.
- Yeah.
- [Krista] So this year we're going to be moving some of our 2018 money into this program, but it has to go through personnel as well.
- [Cheryl] Actually it doesn't, we just wanted to say that.
- [Krista] Oh we, okay.
- [Cheryl] Because it's consistent for them.
- [Krista] Doesn't have to, no, okay, All right, and that position is to help our housing and zoning inspectors follow up on inspection issues.
- [Cheryl] Every day.
- [Krista] Exterior requirements in the summer.
- We really need them.
- [Cheryl] Yes.
- [Krista] And then we are--
- [Cheryl] So if this is successful then, we're looking at funding it next year. If it's not successful, we'll want to reallocate those dollars.
- Similar to what we did with the police department and their interns there, right?
- [Cheryl] Yes, yes.
- [Krista] And then we have an open category, it's open public service, so this we would like to create four \$10,000.00 grants, and have it open to the non-profits within our community to come in and request those funds to provide a service within the City of Green Bay that will help either low to mod clientele, or an area benefit, or some sort of benefit that follows the CDBG regulations.
- Can you think of an example, one that's happened before?
- [Krista] We have funded the Literacy Council. We have funded--
- [Cheryl] Boys and Girls Club.
- [Krista] Boys and Girls Club, My Brother's Keeper--

- [Cheryl] Community Works, My Brother's Keeper--
- [Krista] Community Works, Freedom House in the past.
- Okay.
- [Krista] Those types of organizations.
- [Cheryl] Sometimes we take a focus, the committee might say, well we need to concentrate on job training, or some type of focus, and that's how we picked out our eligible services, so, or crime prevention, or something like that, so.
- Mm hm.
- Yeah.
- So this is a little different, for each senior member in this room, we usually have all of those that are asking for money under this particular category, come to the meeting and we'd go through the proposals and so on, and then decide what goes forward and what doesn't.
- [Krista] Mm hm
- Here we're doing a little bit different in that we're putting, amending \$40,000.00 for the broad category, and when then do we receive and work on the--
- [Krista] Once we receive our allocation here then we will send out an RFP, requesting specific type of services, like Cheryl said, that we think would benefit the community. And then that will come before the RDA to approve those awards.
- Not before this?
- [Krista] Well I could have it come before the sub, yeah, I could have it come--
- [Cheryl] In the past we've done it both ways in the past. We could have it come before the sub-committee, and then you make a recommendation at the RDA.
- But then that means we just listen to it twice.
- Mm hm.
- Most of our committee is sitting right here.
- Well a lot of it depends on how many proposals.
- [Cheryl] How many proposals you get.

- I see, 'cause we could narrow it down at the sub-committee, and then just the top ones go, or only our recommendations.

- [Cheryl] Well in order for, we may notify everyone about the sub-committee meeting so they have an opportunity to speak. So it's up to the RDA at that point of awarding whether you want to open the floor again, if it goes like that.

- Yeah.

- Okay, I just wanted to streamline it if we can.

- [Krista] Yeah.

- We didn't have anything on last year's.

- [Krista] No, we didn't because we had carry-over from the prior year, from 2017, so we didn't allocate anything to that last year. So that's why we're putting \$40,000.00 back into it.

- I guess just from my perspective I recommend we bring it back here. So it's kind of like the committee doing the council's work ahead of time, right, we would be doing the work ahead of time and make a recommendation for the RDA itself. Because the RDA meetings can get long without this.

- So are we a quorum of the RDA.

- [Krista] You're the sub-committee of the RDA.

- Okay.

- - [Krista] So you report back to the RDA.

- Okay.

- Yeah, we're not the final say on this topic, it'll go to the RDA and we'll make the recommendation.

- Okay.

- So when I see on the 2017, like the public family and childcare resource, right, and literacy, those were both part of that open?

- Yes.

- Mm hm.

- We need a point of clarification.

- Yes.

- You're talking about when the proposals come, they would come here, it wouldn't be next Tuesday?

- No, no, no.
- Oh no.
- But we would then approve this next Tuesday.
- Right.
- Yes.
- Yes.
- No, I agree.
- Okay.
- [Krista] No, we won't send out the RFPs until we absolutely get the funding, and which probably not be until August or September.
- Yeah.
- So.
- Okay.
- Yeah.
- We hope.
- [Krista] We hope.
- Why be in a rush.
- [Krista] Yeah. So that's our break-up of what we are proposing for our public service section of our block grant funding.
- Okay.
- [Krista] Which is well below that 15% of the total allocation. And we recommend giving \$150,000.00 to the Parks. The Parks Department would like to use that funding to repair walkways or put new walkways in, or ADA accessible areas for the various parks. They don't have the parks set out yet, but it could be any CDBG eligible are park within the City of Green Bay.
- [Cheryl] I think they take those recommendations actually to Parks Committee.
- [Krista] Yes, it did go to the Parks Committee to get its, on those issues.

- Is this your only copy? Well take it.
- [Krista] No, that's okay, no, you can take it.
- [Cheryl] She's got it memorized.
- [Krista] Yep, I've got it memorized, yeah.
- And if we won't have any arguments then with Parks or DPW on the grants?
- [Krista] No, no. And then the DPW section we're requesting, or we propose \$150,000.00 to do some sidewalks and alleys that they typically do that are in our CDBG eligible areas, to make those neighborhoods so people won't have to pay for their assessments, as they can't afford it.
- So both of them have gone down by \$50,000.00?
- [Krista] Yes.
- So why is that?
- [Krista] Last year we put \$200,000.00 in there, and that was because we wanted \$50,000.00 from the Parks and \$50,000.00 from DPW to go down into the Shipyard area. So they have not spent that, that money is gonna go down into the Shipyard area.
- I see, okay.
- [Krista] So that's why we just backed off, yes. And the year before only did \$150,000.00.
- Thank you.
- [Krista] Mm hm, yeah. And then our Economic Development Facade and Demo Grant program, we have expended all of our funds. And that program is up and running, has been advertised, and is doing very well within the city. So they are requesting \$50,000.00 so that they can do more in that program. Our Economic Development Revolving Loan fund has spent all of their money, and they are now just using the revolving money that is coming in. So they have been, that's been a very successful program. Last year two businesses received loans, and I think they created 17 jobs, full time equivalent jobs within, because of using this funding. So they would like to keep that fund going and requested \$100,000.00 so that they can award more loans. They have a list of people who are waiting. And then we have our CDBG eligible projects areas. This is activities that we can do within a HUD mapped out area that says in these census tract block groups, these are the low mod areas that you can work and use this fund in, and you can do it through acquisition, demolition, rehab, reconstruction, infrastructure, and then historical preservation, so there's a lot of different activities that we can use. Currently we do have a rehab program that runs through this. And we have an emergency repair program that runs through this. We do acquisition.
- [Cheryl] This is when you see the special projects that come through non-profits, we're drawing usually from that.

- To some extent the word administration is a little misleading then. It's not all administration in my mind, it actually, a portion of it, or most of it, does go to projects.
- [Krista] I'm sorry.
- On the CDBG Administration.
- I think we're talking about a different category.
- Oh, I'm sorry.
- [Krista] We went back up.
- Oh, we went back up to--
- [Krista] Eligible Areas, I'm sorry, I was skipping around, sorry. The administration, that is just--
- [Cheryl] That is administration.
- [Krista] Administration, not the program, that's our office salaries, supplies, things like that. And we are capped at 20% of the allocation for that. So we can't go above that dollar amount for admin fees. So that is right at the max, that's 20% of what the allocation is.
- My only other tidbit of memory is that for the Fair Housing services, do they have to be certified in some manner to run a program as such?
- [Cheryl] We usually go out for bid with requirements that they are qualified to do testing, and survey and a comprehensive look at fair housing in the area. They're kind of the agency you go to if there's a complaint. If there's a fair housing complaint, we refer them to that entity. And for now it's Metropolitan Fair Housing who's the one. It's kinda the same thing--
- [Krista] They have a satellite office out of Appleton.
- [Cheryl] Yeah, in the area that does that.
- So we bid that out every year?
- [Krista] Correct, we're required to do that.
- So they don't come back with a funding disapproved, or one or the other?
- Correct.
- Mm hm.
- Mm hm.
- Other questions? Do you see a need for the meeting for whatever reason?

- [Krista] For the block grant funding?
- Yeah, at the next meeting, public comment is very appropriate, because we'll have all the submittals for request of the budget.
- Mm hm.
- Mm hm.
- [Cheryl] Well do you want to go through the HOME funds, and then maybe ask that question?
- Good idea.
- [Krista] Yeah, because there's another section. So this would just be our block grant allocation. Our HOME allocations have dropped from last year. But that's not anything new because that's usually the one that's on the chopping block of saying that they're not even gonna fund the whole program anymore. So we went from, just wait, \$551,102.00 last year to \$519,455.00. So not that big of a drop, but still \$30,000.00, \$30,000.00, \$35,000.00, something like that. Our staff recommendations for allocations for this program are in line with--
- [Cheryl] Krista, just talk about HOME, for what you can use HOME money for. Different from block grant, which is more comprehensive.
- [Krista] HOME money can only be used for affordable housing activities. So you can use HOME money to rehab, to build new construction affordable housing, rental, anything that has to do with affordable housing, you can use HOME funds for. So you couldn't use HOME funds for infrastructure, or like CDBG activities like public service activities, you couldn't use these funds for that. This is more of the building, constructing affordable housing. So our allocations are in line with last year. We've had a single family rehab program here, we have for several years since I've been here, so over 23 years.
- [Cheryl] Several decades.
- [Krista] Yeah, several decades. And that is a very successful program. If you're income qualified, you can get a loan to rehab your house if you're having some issues and you can't afford to go to the bank and get, so these are deferred loans.
- [Cheryl] 0% interest.
- [Krista] 0% interest that you don't have to pay until you no longer live in that--
- Until you die.
- Or you sell it.
- Or you sell this.

- Mm hm.

- [Krista] So we have some loans that are out there, for a long, long time. Down payment closing cost assistance, we usually RFP this out in NeighborWorks. He usually provides these loans to low to moderate income individuals within the City of Green Bay to purchase their first time home. And then we have part of this allocation, again, 15% of this allocation needs to be set aside to a--

- Oh, sorry.

- [Krista] That's okay. Set aside for a community housing development organization, we call it a CHDO, so they do affordable housing within the area, but they've got to qualify as a CHDO under the federal regulations. So we put \$100,000.00 into that category for any CHDO to come in and request funding for that.

- What other ones are there?

- [Krista] Well currently we only have one CHDO, and that is NeighborWorks Green Bay.

- Oh.

- Oh.

- Okay.

- [Krista] Yeah. We tried to reach out to more, we try to get more, but it's hard because the board make-up has to be a certain way underneath the federal requirements, so, if you have an established board it's hard to agree, to get the turnover.

- Change your board members out.

- [Krista] Yeah, change your board members out.

- Get that make-up.

- [Krista] Yeah. And then we have administration costs underneath this program as well, that we can only use 10% of our allocation for administration costs. So this is basically one, this is staff salaries, supplies, anything like that, to run the program. And then we have kept--

- Reporting time.

- [Krista] What?

- Reporting time.

- [Krista] Reporting time, mm hm, yeah. And then we have Housing Development Advancement projects. And this is for any for-profit, non-profit, any affordable housing project or organization that is gonna create affordable housing, can come in and ask for funding to subsidize their project, if they have a gap or are, to make that project go.

- [Cheryl] So in the past we've worked with Habitat, we've worked with the Broadway Lofts, Friar House Flats, NeighborWorks.

- Platten Place.

- Platten Place. Whitney Town Homes.

- Mm hm.

- [Cheryl] Not Whitney Town Homes. Yes, it's Whitney Town Homes.

- Yeah, Whitney Town Homes.

- [Cheryl] Renovators of the project.

- How do you quantify affordable?

- [Kevin] Federal guidelines.

- [Krista] Yeah, federal guidelines.

- 80%?

- Is it 80%.

- [Cheryl] Mm hm, for a home.

- For a home.

- Mm hm.

- [Cheryl] So oftentimes we'll work, if we see a development coming in to do just a market rate project, we'll be like, hey, we'd kind of like three of those units--

- Set aside.

- Mm hm.

- You know.

- Set aside, X amount.

- [Cheryl] Right, so then we can subsidize that project.

- [Krista] Right.

- And then NeighborWorks subsidizes the same.

- [Cheryl] Mm hm, right, yep.
- [Krista] So for these types of projects, like Cheryl said, we could have multiple housing in that, and have mixed incomes in these projects, or it could be all affordable. But based on the amount of subsidy that we give them for the project, that determines how many units have to stay affordable, for a length of time.
- Mm hm.
- Okay.
- Ten years?
- [Krista] It depends on what you're doing.
- How much money you take.
- [Krista] Right.
- There's definite timelines for the different amount of monies.
- [Krista] Yeah, different amounts have different years, and then if it's new construction versus rehab, that makes a difference as well.
- And the program income is back at \$250,000.00, estimate.
- [Krista] Yeah, that's based off of last year, what we received. It's conservative, I hate to go over, so hopefully we'll be receiving more than just the \$150,000.00, but based on the repays that we have had from 2018, I thought that this would be right around the amount that we would be receiving in 2019. So 10% of the program income in this program can go to administration so I did put 10% of that for admin, and then the remainder of that, since because they are loan repays, it just revolves back into that single family rehab program, that we've not established.
- Any questions? Think globally, act locally, that's what this is to me, right?
- Yeah.
- Yeah.
- [Cheryl] These are recommendations that we made to, was it at Council?
- Mm hm.
- Yeah.
- [Cheryl] And then so they will ultimately approve this.

- And so when do you expect again, August do you think the final budget will come in for us to go through the detail, organizational reviews?
- [Krista] Yes.
- [Cheryl] Probably the summer.
- [Krista] Yeah, probably the summer we'll work on it and get it out, so that when it does come through, we'll have those applications all reviewed and ready to go, so they're in the queue and, through the summer.
- I appreciate the good explanation, having not been on this committee before, so it really helped me to have you explain all that, and have this written out.
- [Krista] And these numbers can be moved around if you think something should receive more or less, but these are just as staff recommendations, based on--
- Based on experience, and expertise, yeah.
- Right.
- Historical data.
- And this dollar amount has not been approved by the federal government, so, the budget itself may be modified, bottom line?
- [Krista] No, this is our budget, this is what we're going to be receiving. We just don't get the money until we fill out, have this Annual Action Plan done and submitted, and approved by HUD.
- Okay.
- [Krista] But these are our allocations that we will be receiving.
- Okay. For some reason it seems early that we get the final amount, in early May.
- [Cheryl] Well, it's 2019, so you'd hope you'd get it in February.
- Yeah.
- Some years we have.
- [Krista] Yes, we should be receiving it in February.
- [Cheryl] We should be getting it in February.
- [Krista] And then it starts February 1st.
- Yeah, we were supposed to get our new markets by March.

- Yeah.

- Right.

- [Krista] So, we're pretty, if we get 'em in July or August, we're all like, yay! 'Cause it's been later, right. Geez. It doesn't take much to make you happy.

- Right.

- No.

- Okay, with that, I will go back to the comment I made, I don't know that it's appropriate to open the floor. I think that's more appropriate when we get the final allocation, and we send out RFPs for submittal against these line items, right.

- [Krista] Yeah.

- [Cheryl] Unless anyone has commentary about the line items, you know, comparatively speaking, then. Like, you should fund us comparatively, I think you should move 100,000 from here to here, or something to that effect.

- Mm hm.

- Mm hm. Well, I'll leave it up to the committee if they want to do that, 'cause otherwise I don't see any need to do that, just. And we can do that in the meeting when we sign budgets as well.

- [Cheryl] Well this will go to the RDA on Tuesday.

- Tuesday.

- To approve this.

- It can always be modified though.

- [Cheryl] Yes.

- On Tuesday.

- Mm hm.

- [Cheryl] And this will be, your actions are following--

- [Krista] And it could be brought up by the town council as well.

- Right, okay. But not the next, it's not obviously going Tuesday night to Town Council.

- [Krista] No.

- It'll have to wait.
- [Krista] No, it'll wait 'til--
- Oh no, maybe--
- The last meeting.
- May 21st.
- The May 21st meeting.
- [Krista] The 21st, yeah.
- Okay, what are your wishes with the draft 2019 Annual Action Plan and funding recommendation for the Redevelopment Board.
- Move to approve.
- Motion to approve, do I have a second.
- Second.
- And a second, do we have any further comments or discussion? Hearing none, all those in favor signify by saying, oh, we have to vote online, sorry.
- Oh, okay.
- I think, if I, all right, just putting this right in.
- I have been pressing the button .
- Whew.
- [Lisa] Passed unanimously.
- Thank you both.
- [Krista] Yeah, thank you.
- And then there is that vote, we don't actually vote for?
- [Krista] Mm hm, that next item.
- Oh.
- [Krista] I'm not sure if you've done it yet.

- We will, okay.
- And it part of the all--
- It's different.
- That is part of the Action Plan though.
- Okay, so that's different HOME then.
- [Krista] Well, we haven't gotten down specifically on those type of activities for these types of projects. So what we're talking about on this next item is how we want to take a look and come up with a plan for activities for these specific projects.
- I see. I was thinking, and he was thinking, that it was combined. But it's not, right.
- [Krista] No.
- [Cheryl] You've approved the HOME budget--
- Right, because we did--
- [Cheryl] Those line items, because we want to talk to you probably specifically about one line item within that HOME budget, which is being--
- [Krista] Currently what we have, and then moving forward into 2019.
- Okay, so which agenda item is this.
- Item two.
- It's item two under regular business.
- The CDBG projects?
- Mm hm.
- That's listed as an attachment on this one, right?
- No, no, the--
- No no, the consideration with possible action on the funding levels for--
- I think you're, go back one page.
- [Krista] I know, I had to, yeah, go back, but I just had to do that two, regular business, one, two.

- Sorry, I was on the wrong--

- There it is.

- Yeah, okay. I stand corrected, item number two.

- [Krista] So this item, we wanted to bring forward to you. We have talked it over from our project team, and multiple funding team, and we have wanted to get some guidance on our HOME funding. So, as part of our 2018 funding, we have the line item, Housing Development Advancement Projects. So in that, you can do activities that are new construction single family homes, new construction rental, you can do rehab, existing homes rehab, rental, you have all those categories. Currently we have a HOME application that when somebody is requesting these HOMEs, they come in and I send them out an application. They can fill out the application, show us their gap. I underwrite the project to see if it's viable, and then I move it forward to you guys at the RDA meeting for approval. Well with our HOME fundings being cut, and what we have currently, we are getting HOME applications where that gap is increasing. Their subsidy requests are increasing due to building costs. Everything is increasing. And I guess we want to get some guidance on that, because if we continue to just do single family building homes, we're gonna use up all of our funding on that, and then we'd only get a couple of units of affordable housing, as opposed to if we move in a direction for rental housing, we might get more units of affordable housing.

- [Cheryl] So, in the past, we've been able to get a new home on site for \$20,000.00 subsidy, to a non-profit. Now that's, and then it's increased to like \$40,000.00, \$60,000.00, now we're seeing that as an \$80,000.00 grant to get a single family property built on an infill site. Which is, you know, costs are going up, everything's going up for that cost. And one of the things that we've found when, and you'll have this at the RDA meeting, we just got our impediments for housing report back, which I am sure you'll read.

- [Krista] 100 pages, it's attached to your packet.

- About how many?

- [Krista] 105 pages.

- Oh, that's nothing.

- [Cheryl] It's a require that we need to get that. But one of the findings that came out of the study was that we are, Green Bay is short on studios, one, and one bedroom apartments.

- [Krista] One and two bedroom apartments.

- [Cheryl] And accessible housing. So one of the things, I think, as staff, we looked at how we have funded HOME. We have \$100,000.00 allocated for down payment closing costs, which gets new people into a home. We have \$100,000.00 allocated for rehab, which keeps people in their home, right. We have \$100,000.00 that goes to CHDO, which is generally like a rehab or a rehab resale concept like that I think, or potentially new construction, which leaves us with this \$100,000.00 that we can be using for things. I think as staff we kind of looked at that, and said we probably should be meeting the needs that have been told to us at every meeting, which is more towards rental. The

smaller units or the accessible units, that we should be funding those projects compared to doing two new home builds with this allocation here. So, we're just looking for feed back on that, and there are some people here, I'm thinking, that might want to speak to that, I mean, we have Habitat here and NeighborWorks here, and they're, basically, the two entities that we do the majority of our work with.

- Well, I'd like to hear what they have to say.

- Mm hm.

- Make a motion to open the floor.

- So I have a motion, do we have a second?

- Second.

- Second, all those in favor signify by saying aye.

- [Together] Aye.

- Opposed? Okay, the floor is open.

- Put you on the spot, I don't know if you want to speak, but I thought I'd give you the opportunity to.

- That'd be fine.

- Totally fine.

- [Michelle] So we put in a request for two proposals that we're hoping to start this fall, and it's basically we've had a partnership with the RDA to cover gap funds to build two story homes. Just to give you a little history briefly, we normally build single story homes, and because of some of the properties in the City of Green Bay are requiring the two story, we have partnered with the RDA in the past to cover the gap costs to pay for those expenses.

- And a garage.

- [Michelle] Yeah, yes.

- [Cheryl] It's for everybody that has a car.

- [Michelle] Yeah.

- [Cheryl] I know.

- [Michelle] Thankfully in this climate. So these two new projects are nothing different than what we've asked for in the past. We can't have our volunteers on the two stories because of insurance reasons, and so we have to sub out that. That's really where a lot of our costs come from, labor.

Normally how we keep our costs low at Habitat is volunteer labor. Of course we have to sub out for electricians, plumbing, all of that kind of things, but we keep a lot of our costs low on our single story homes with volunteer labor. With the two stories we've been really fortunate to partner with the RDA and those gap funds to be able to satisfy the requirement of the existing architecture of the neighborhood, to be able to build an affordable home and still sell it at affordable housing to low and moderate income families. So those gap funds have been used to cover the expenses and the labor for those two stories. So of course we have standards by Habitat International of the size of home that we can build also, and so that's out of our scope, and so that also covers those extra, you start stretching your square foot then you have more flooring, more heating, more this, so that's really what the expense has been. So there's been two proposals. We've asked for, again just to give you the history, \$25,000 to cover those gap funds in 2015, \$30,000 in 2016, \$40,000 in 2017, also \$40,000 in 2018. And this year we're requesting, without the construction developer fee, \$49,000 on one property, and \$51,000 on another property.

- Which is basically the entire budget.

- It is.

- So then, to clarify, right, that's just what you were saying, we can do fewer things.

- [Cheryl] Right.

- But the demand is more for?

- [Cheryl] The need for Green Bay, for affordable housing, is gearing towards rental, which I guess isn't a surprise to us, because, just, Broadway Lofts is built, Friar House Flats, they see that need here. So I think the need is turning more to rental. I don't know if people are aging and are needing rental units.

- And young families, young people, that's the trend, to not go and buy a starter home, to rent.

- Right, it seems to be the trend.

- And I think with the Habitat, correct me if I'm wrong, those two story builds, which look phenomenal when they're done, but have you been using volunteer labor on the two builds right? 'Cause it's too difficult?

- [Michelle] We are about half way through.

- [Matt] We do all the exterior with contractors. All the interior insulating, drywall, paint, finish work, all that is done by volunteer.

- And it's still coming in at \$210,000 for a new construction build. See, that to me that's like--

- [Michelle] Our single stories have gone, in the last year, we're at a 26% increase.

- Just on the single story.

- [Michelle] On our single story homes, 26%.

- What does Habitat do then, where do you get the funds?

- [Michelle] Here. Obviously we do our own fund-raising, we apply for grants, but our costs are continuing to go up which means, just like you guys are experiencing, you can only help so many. We have to help less and less too, because our costs are going up, that means we're serving less families, because we only get so much funding. So we rely on that pretty heavily, the community. We get private donors, sponsors, grants. Habitat doesn't give us funds, we don't get funds from the state or federal, we're on our own.

- [Matt] Income from mortgages.

- [Michelle] Yeah, we do have our revolving fund, so our homeowners pay back that 0% interest free loan. So by those payments we're able to continue our mission to build more homes.

- Right. It's a 0% interest--

- [Michelle] It's at 0% interest.

- It's at 0% interest the mortgage that makes that home affordable to Habitat.

- [Michelle] Correct, yeah.

- Otherwise, 220,000, you'd never get anybody in there.

- [Cheryl] Well, and really the subsidy--

- [Michelle] Well we're selling it for fair market value, or whatever the homeowner can afford. So we're already upside down on it, which is why we're saying we need the gap funding.

- But still it doesn't have any interest.

- [Michelle] No interest.

- And the payments, the payments are quite a bit smaller.

- [Michelle] Correct.

- [Cheryl] And just to clarify, we still work with Habitat on the single story builds.

- Right.

- [Cheryl] Because we can work with them through our enhancement program, we can deed the lot, we can do the \$20,000, \$25,000 grant on that to assist them to build.

- So that's different money than this?

- [Cheryl] That's different money than this money. So we're still gonna work with Habitat. It's those two story infills that are getting to be really costly. And I'm not sure, are they your favorite builds?

- [Michelle] Not so much.

- I feel like they're a very difficult subject. And I coordinate everything, right?

- [Matt] I'm one of the construction managers, Matt Sahs. I wouldn't say it's our favorite build, but what we've been trying to do is adjust to accommodate our schedule. So the proposal this year is that we're going to build these over winter, which is generally a time that our volunteer labor force is low. It's generally time that it's snowy, cold, and then, so we can work with our contractors to get it built earlier, and then when it's less ideal building conditions for our volunteers, we can be inside, which then we're hoping to be able to attract more volunteers on that end, for our end of it.

- Yeah, I guess I'm looking at long term, long term housing. This is a number that's out there, and it's a prediction that by the year 2030, 83% of all households will be childless. So what is going to be the necessity for building, the necessity's gonna be for smaller single family homes, and it's going to be for apartments. So I understand, and believe me, I think the two story design, fitting into the neighborhoods, is great, right. But maybe that should be left up to the market to determine what gets built there. And I know that you can't serve larger families like that.

- [Michelle] Yeah, that's what these properties really are. We have very large families that apply to Habitat because they can't find affordable rental housing. And so these two stories are perfect for that because we can serve larger families.

- I personally sponsor a family to get, , and they've been living in a Habitat home for probably the last 12 or 13 years, a family with seven family members.

- I also think it's important to follow the recommendations of what HUD says Green Bay needs, right?

- [Krista] Well it's not HUD, this is a study from--

- Oh, just a study.

- [Krista] Yeah, an organization that did the study for us, looking at the census data and comparing all of that.

- Is that a whole housing study?

- [Krista] Not a full blown housing study, no.

- [Cheryl] It's the Impediments to Fair Housing, it's what's keeping people out of housing.

- [Krista] In their study they found that two thirds of Green Bay is single family, owner occupied.

- Two thirds?

- Wow.
- That's what people like, being on City Council, anybody suggest an apartment building went up, oh my God, dogs and cats together, I mean, the whole thing, it's just--
- [Cheryl] Which is unfortunate because--
- Because they don't want, they want single family homes.
- [Cheryl] Yeah.
- So what about a compromise of one? I mean I'm not saying for sure, but that's another--
- [Michelle] We'd be open to that too.
- [Matt] And we were proposing these two together because they're basically back to back, which would help us to cut some costs because we would have our contractors put them both up at the same time there, essentially on the site at the same time.
- And how much money do we have again?
- \$100,000.
- [Krista] Currently we have \$100,000--
- So we can do five little ones--
- [Krista] And then next year we'd have \$100,000.
- Or two big ones, is that what we're saying? Or is that this year?
- No.
- I'm not following.
- Isn't this the one that's '19?
- [Krista] In 2018 we have \$100,000.00. In 2019 we will be having \$100,000.00.
- And the '18 is not spent?
- '18 is not spent yet.
- Okay, what's the choice?
- [Cheryl] So, I think what we're looking at for the '19 funding source, is that we concentrate on rental units instead of single family builds--

- That's with conditions and all that.

- [Cheryl] With that \$100,000.00. Now you could say to us we want you to go 50/50 or whatever, but we think we'd like to spend some money on some rental opportunities.

- We haven't done that.

- [Cheryl] We have, but--

- But mostly the focus has been on--

- [Cheryl] Right, but it's kind of a first come, first serve type of process.

- Right.

- [Cheryl] So very easily, with these two that are coming to the RDA on Tuesday, the Habitat request, that would wipe out the year.

- Yeah.

- With two builds.

- Yeah.

- Right.

- [Cheryl] So, and if that's a decision, the RDA would like to continue to do these larger family, two builds, we can continue to do that, but, we just looked at the cost of that two build, and I'm sorry, it was my understanding that I thought it was very little labor, volunteer labor on those two story.

- [Michelle] About half, yeah.

- [Cheryl] That we thought, well, for 210,000, 212,000, we could probably build a house, a two family house, and we wouldn't have to, we wouldn't have to work with Habitat who would have to deal with the volunteer labor, and the construction. We have designs already set that we would just act as the general and build those out. We thought we could do it cheaper than that cost.

- So how many families could we serve, we're talking about building one two family house? Three, one, how many families would we be able to serve?

- [Krista] Currently our whole application process has just opened, so Habitat has submitted, that's why we're just talking about Habitat stuff.

- And they can do two--

- [Krista] They could do two.

- [Cheryl] It could be just as easily NeighborWorks--

- [Krista] It could have been Neighborworks, it could have been anything.
- So let's say the next person walks in the door and wants to do rental.
- Right.
- How many people could they serve, I mean, how much--
- [Cheryl] It all depends on the project. If they come in with a single family build, it's a single family. If they need--
- I'm not talking about a single family build now, I am talking about--
- [Cheryl] Let me finish, if they come in and say we're gonna do four units and we need \$100,000.00, then that's four to subsidize.
- Then that's four.
- [Cheryl] So it depends on the project.
- That's kind of what I was looking at.
- [Krista] So just to give you a comparison, maybe this would help, is the Broadway Lofts has HOME funding into it at \$100,000.00, but they're building 107 units. And 10 of those will be affordable housing, but they're all affordable housing on that Broadway Lofts project. The Friary also is getting HOME funds, and they are using \$100,000.00, but they're creating mixed use, and they're creating more than just one unit. They're creating I think 40 some units over there. Or maybe 20?
- But it doesn't make or break the 40 units then.
- [Krista] No.
- Our money might support how many of the 40?
- [Krista] Depending on the, it's based on the amount of the total cost of the project. You divide up how much HOME funds, and that's how many units they are required to designate as a HOME unit.
- [Cheryl] So it's 10 units on Broadway Loft.
- [Krista] Yeah.
- [Cheryl] And then it's how many at Friar House Flats, 10?
- [Krista] I--
- [Cheryl] They've got the same amount?

- It's four.
- Four?
- It's four.
- Yeah
- And how much did they get?
- \$100,000.00.
- Oh, they did.
- Mm hm.
- Okay, so that's certainly not, the odd one is certainly not--
- [Krista] So all projects that come in are a little bit different and we have to look at them a little bit differently. But it's just, the gaps are starting to get larger and larger and larger, and we just want some guidance on how many we, you know, how many people we would like to serve within the community.
- [Cheryl] And make our funds go further.
- [Krista] Yeah.
- I'm still hung up on 2018 and 2019. We have not committed 2018's--
- No.
- Correct.
- Money, so there's \$100,000.00--
- [Krista] We've committed some of it, but not all of it.
- So is there some of that left over?
- [Cheryl] There's \$100,000.00 balance in 2018.
- In '18, and you're recommending \$100,000.00 for 2019.
- [Cheryl] Correct.
- So, I heard phase in, or partial, that would allow us the opportunity to phase in, I suppose, if we wanted to take a portion of the \$200,000.00 in total, and designate it to two story, and the remainder to--

- [Cheryl] Or you can say in 2018, we're just gonna status quo like we're working, right? And then in '19 maybe we focus on rental? The upcoming dollars.

- Mm hm.

- Or would you limit the subsidy as a finite number. Say we're only gonna subsidize this, so we can get as many houses as we want. That option is out there.

- Each project gets X amount of subsidy--

- Right.

- Is what you're saying.

- Heavy decisions.

- Complicated.

- Yeah.

- So what do we act on on Tuesday's meeting?

- [Cheryl] Tuesday's meeting you're gonna have two requests from Habitat to use '18 HOME dollars for two builds.

- That's \$49,000 and \$51,000.

- 2018.

- [Cheryl] For 2018 HOME dollars for two HOME builds. And you'll also be acting on this plan for '19 to go forward, brand new plan.

- Okay.

- [Cheryl] '19 to move forward, even though we're in '19.

- Yeah.

- Yeah.

- [Cheryl] So that's what, 'cause we're behind. So there's two separate actions that are going on.

- My mind goes to what Deby had said that we have a study that says we're short on studios and one and two bedrooms, right.

- So moving forward with the 2019 money, we'd look at that.

- [Cheryl] You could direct staff as part of the 2019 funding source we're gonna concentrate on rental.

- Right, and then we could say the 2018 funding could be used to fund two stories.

- But is that what you were recommending.

- [Cheryl] Well, yes, I mean, we're just looking--

- That is--

- [Cheryl] We, moving forward, we would like to utilize those dollars, I think, in a rental capacity, to help subsidize more units.

- But since they were caught off guard, I would just like to--

- Oh yeah.

- Now that they'll know it's coming, they'll know it's coming.

- Yeah.

- Yeah.

- Yep.

- Okay.

- Okay.

- All right.

- Do we have any rental project in mind, or is that too early?

- [Cheryl] We don't have any, no.

- [Krista] People come to us, we work, Habitat doesn't, I'm gonna say you don't do rentals.

- [Michelle] No.

- [Cheryl] Okay. We could approach NeighborWorks, I'm sure, to see if there was some projects they were looking at doing.

- NeighborWorks might have something, yeah.

- [Cheryl] And then developers just come forward actually. That are looking to do, people are doing more apartments I think.

- People that are used to doing these type of projects, that use federal dollars, are comfortable going through the process, like the Broadway Lofts, and they're aware--
- They're aware those funds are available so that--
- And they're aware of the strengths as well.
- And so the action that we would take is a recommendation to the RDA, and then the RDA will take the final action, send it on to Council.
- I have a motion.
- We're still in the--
- Is there anyone else that wanted to speak?
- [Jerry] No, I just had, I'm Jerry Tyrrell from NeighborWorks, and I agree with a lot of what was said about the Impediments to Fair Housing study, I was part of that focus group and learned a lot more than I contributed, and I think that listening to what was going on in the room that day, we've been talking a lot about small, but you could summarize that session just in one word, accessible. I mean, that was the theme over and over and over, is accessible, our shortage of accessible. And so that really dovetails with some of the discussion that's been here about rental and smaller units because it gives you the opportunity to incorporate accessible rental units, which is what we're doing, what we're looking at adapting our town home design to have, instead of just a row of town homes, have the ends of those developments be up-down flats with the lower units being accessible rental. So kind of everything we're looking at in terms of potential future rental projects have a strong accessible component to them, to build that in for some level of the unit. So I think small and accessible. And I guess another point too is, Cheryl, you talked about the level of subsidy per unit, I think another thing too, both with rentals and with single family, size is one of your best tools to reduce that subsidy per unit, and really try to leverage your dollars into the greatest number of units that we can look at. When we look at the average size of new construction today, and the number of square feet, and you look at the housing stock that's in Green Bay, and some of the sizes of the homes, there's a lot of people that want small homes, because when existing homes come up for sale, they don't sit, they sell, and yet nobody's building those. So I think there's a lot of opportunity to look at small and those accessible components too.
- One thing you find in that Fair Housing, Impediments to Fair Housing study was kind of just, on the other end, there's a dearth of four and three bedroom homes that are available for rental or for purchase for large families. Although the trend is down, there's still that need out there, so that's another issue.
- Hm.
- Interesting. Thank you for your comments. So, do we have a motion to go back into regular session.
- Yeah, I'll make a motion--
- Melanie.

- To return back to.
- A second?
- Second.
- Second. Motion and a second, all those in favor signify by saying aye.
- [Together] Aye.
- All right. You know, sitting on the RDA, for I don't know how many years, 15 years?
- [Cheryl] It's a long time, Jim.
- It seems like everything I see is rental units.
- Really?
- Well, I mean, downtown Green Bay is rental, Broadway is rental.
- Right, because we always have the real estate guys saying, why aren't they condos, right?
- Tom Lambert, condos, condos, condos, I want condos.
- Right.
- Right.
- So I just, hang up back here, and I've got to believe the study. Okay--
- [Cheryl] Well, now that you think about though, we've got a couple of affordable housing, but a lot of housing's built that's market, it's all market rate, so.
- Yeah.
- Yeah.
- [Cheryl] Housing's like 2,000 for rent.
- Yeah, yeah.
- And so.
- That's true. Okay, so what would you like the motion to sound like.

- I'd like to say that we use the 2018 funding to fund the homes, the two story builds, and that moving forwards, beginning with the 2019 funding, we focus more on accessible rental, what do I say, apartments, or?

- Yeah.

- Studios.

- You'll do rentals.

- Rentals.

- Just rentals.

- Mm hm.

- Accessible, smaller rentals.

- And that would be a recommendation to the RDA, correct?

- Yes.

- The RDA.

- So we have that as a motion, do we have a second?

- I'll--

- I'll second.

- Okay, I'll give it to Melanie. Motion and a second, Lisa, it's up to you.

- Ooh, it's not there yet, there it is.

- [Lisa] Passed unanimously.

- Okay, that motion's approved. Any other business to come before the sub-committee? Thank you for your time. Thank you for your input.

- That's it.

- Motion to adjourn.

- A motion, and a second?

- Second.

- Second, all in favor signify by saying aye.

- [Together] Aye.

- And thank you.

- And you said that report was gonna be attached to--