AGENDA

1. Call Meeting to Order
2. Establish a Quorum
3. Election of Chairperson
4. Election of Vice Chairperson
5. Adopt Agenda / Properly Noticed
6. Correspondence
7. Public Comment
8. Supervisors Response

9. PUBLIC HEARING FOR proposed application for Community Development Block Grant – Public Facilities Program (DCBG-PF) funds.

10. Call the Public Hearing to Order
    A. Identification of total potential funds
    B. Eligible CDBG activities
    C. Presentation of identified community development needs
    D. Identification of any community development needs by public
    E. Presentation of activities proposed for CDBG application, including potential residential displacement.
    F. Citizen input regarding proposed and other CDBG activities

11. Adjourn the Public Hearing
12. Request for Agenda Items for Next Month’s Meeting
13. Next Meeting Date:
14. Meeting Per Diem Code
15. Adjourn

Deviation from order shown may occur

In light of the declared state of emergency and to mitigate the impact of COVID-19 this meeting will be conducted by teleconference or video conference. Members of the public may join the meeting remotely or in-person in the Peninsula Room (C121) 1st Floor Government Center (please note public in-person has limited capacity and is on a first come, first served basis).

To attend the meeting via computer:
Go to: https://doorcounty.webex.com/doorcounty/onstage/g.php?MTID=e439cb66fdd3a1010c41e7465bf438dd

Event Password: Jan18cdbg2021

To Connect via phone:
Call: 1-408-418-9388
Access Code: 146 951 3642
STATE OF WISCONSIN
Department of Administration

Community Development Block Grant –
Revolving Loan Fund for Economic Development
Closeout Program
(CDBG-CLOSE)
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Introduction

What is CDBG?

The Community Development Block Grant (CDBG) program is a federal formula-allocated grant program administered by the U.S. Department of Housing and Urban Development (HUD). Funding for the CDBG Small Cities Program is provided to the State of Wisconsin by HUD. The program was created when Congress passed the Housing and Community Development Act, Title 1 in 1974 and it is governed by the rules set forth in the Housing and Community Development Act (HCDA) of 1974 (as amended) and in the Code of Federal Regulations (24 CFR Part 570).

The CDBG program consists of two components: One, an “entitlement program” under which HUD provides funding directly to urban counties with populations of at least 200,000; cities with populations of at least 50,000; and principal cities of Metropolitan Statistical Areas, and two, a “state-administered program” under which HUD provides CDBG funds to States to distribute to non-entitlement communities. The Department of Administration (DOA) Division of Energy, Housing and Community Resources (DEHCR) is responsible for administering Wisconsin’s State-Administered Community Development Block Grant Program.

The primary purpose of the CDBG program is the development of viable communities through the provision of decent housing, a suitable living environment, and the expansion of economic opportunities, principally for the benefit of persons of low and moderate income (LMI).

CDBG-CLOSE

CLOSE is designed to provide the necessary regulatory and financial flexibility for communities to address local needs. The Department, through the implementation of the CDBG-CLOSE program, has determined that the best course of action is to liquidate the remaining funding and to ultimately close all Revolving Loan Funds (RLF). UGLG’s that currently administer an Economic Development Revolving Loan Fund are required to participate in the CDBG-CLOSE program.

Under the CDBG-CLOSE program, all locally held, and funded by a CDBG award made on January 1, 1992 or later, Economic Development Revolving Loan Funds will be held for UGLG’s. These UGLG’s will have non-competitive access to the funds to use as grants for eligible activities.

There are three ways UGLG’s will participate in CDBG-CLOSE. First, UGLG’s that do not
have any outstanding, current loans and only have cash on hand will receive credit for their RLF bank balance as grant funding. Under this option, UGLG’s RLF Closeout Account will be determined as follows:

RLF Bank Balance = RLF Closeout Account

These UGLG’s will have the option to utilize CDBG-CLOSE funds for up to two (2) projects totaling the amount of their RLF Closeout Account. In addition, UGLG’s may submit an application for up to one (1) additional Planning project. Depending upon the RLF Closeout Account balance, some communities may be eligible to apply for more than two projects.

UGLG’s with outstanding loans have the option under CDBG-CLOSE to either:

1. Purchase the value of all outstanding loans in the RLF portfolio and transfer those funds to DEHCR;

Under CDBG-CLOSE, UGLG’s that opt to purchase all outstanding loans will receive their RLF bank balance plus their purchase of their outstanding balance as grant funding. Under this option, UGLG’s RLF Closeout Account will be determined as follows:

RLF Bank Balance + Purchased RLF Accounts Receivable = RLF Closeout Account

In addition, UGLG’s that opt to purchase all outstanding loans will have the option to utilize these funds for up to three (3) projects. For UGLG’s with large RLF Closeout Balances, an additional fourth (4) project may be applied for, as determined by DEHCR.

2. Retain the responsibility to service outstanding loans locally.

Under CDBG-CLOSE, UGLG’s that opt to retain the responsibility to service outstanding loans locally will only receive credit for their RLF bank balance as grant funding. Under this option, UGLG’s RLF Closeout Account will be determined as follows:

RLF Bank Balance = RLF Closeout Account

UGLG’s that opt to retain all outstanding loans and service them locally will have the option to utilize CDBG-CLOSE funds for up to two (2) projects totaling the amount of their RLF Closeout Account. In addition, UGLG’s may submit an application for up to one (1) additional Planning project. Depending upon the RLF Closeout Account balance, some communities may be eligible to apply for more than two projects. DEHCR will enter into a written agreement with all UGLG’s that opt to retain the responsibility to service all outstanding loans. UGLG’s must return all applicable loan repayments to the State.

After the UGLG has determined which option it will utilize to participate in CDBG-CLOSE and the RLF Closeout Account has been established, the UGLG will follow the process established under CDBG-CLOSE to dissolve its RLF. As stated above, all Economic Development RLF’s will be dissolved under CDBG-CLOSE and participation in CDBG-CLOSE is mandatory.

All Economic Development Revolving Loan Fund Accounts that were originally capitalized with payments of loans made from CDBG grant funds awarded prior to January 1, 1992 by the State
of Wisconsin and have not received a subsequent award from January 1, 1992 to present from the State of Wisconsin are not subject to CDBG-CLOSE. These funds qualify under the program income reporting guidelines as defined in CPD Notice 04-11.

All Revolving Loan Fund Accounts that meet this requirement are encouraged to self-identify and certify by signature of authorized local official that the funds qualify under the program income reporting guidelines as defined in CPD Notice 04-11. A sample certification document may be found in the Application for CDBG- CLOSE Section.

A final, official RLF Closeout Account balance will be calculated at the time of the RLF closure when a final report is submitted to DEHCR and reflect each community’s unique situation.

A community with access to RLF Closeout Funds is not excluded from applying for annual competitive CDBG-Public Facilities grants to supplement a project’s cost. All standard requirements as outlined in the CDBG Application Materials and Handbook apply. If selected under the annual application cycle, the sub-grantee must utilize RLF Closeout Funds before accessing competitive allocation funds. This requirement also applies to the non-competitive Economic Development grants.

Example:
$500,000 Public Facility project
$295,000 Local RLF Closeout Account available
$205,000 Funds from annual allocation

When only the local RLF Closeout Funds are being used for a project, refer to the Project Funding Limits section for award maximums. The amount of the grant cannot exceed the RLF Closeout Account balance.

If an UGLG retains the responsibility of servicing existing loans, the potential responsibility for re-paying the loan due to the UGLG’s failure to meet a National Objective resides with the UGLG.

**Eligible CDBG-CLOSE Applicants**

Only existing Units of General Local Government (UGLG) that hold a CDBG RLF-ED fund will apply for funding.
Door County CDBG CLOSE Narrative Additional Supporting Documentation

December 16, 2020
What Exactly Are Door County’s Affordable Housing Issues?

- Long-standing shortages: rentals, seasonal worker options
- Quality of rental and/or seasonal worker housing
- Second home market drives up housing and land costs
- Increased tourism (conversion to transient housing)
- Building and zoning code requirements
- Lack of land designated for multi-family, denser housing
- Lack of public infrastructure (sewer and water)
- High construction costs; plus, 2018 increase everywhere
- More profitable to develop high-end housing
- Shortage of construction industry workers
Other, Related Issues in Door County

▷ Employment opportunities not as varied, numerous

▷ Seasonal tourism economy

▷ Transportation availability and costs

▷ Day care availability and costs

▷ Declining school enrollment (488 fewer “mainland” high school students in 2019 than in 1997)

▷ Smaller and decreasing median household size compared to state and nation (both also decreasing, even as population increases)

▷ Aging population
## 2019 Construction Costs (approx.)

<table>
<thead>
<tr>
<th></th>
<th>Sewer &amp; H2O</th>
<th>No sewer, H2O</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lot</td>
<td>$20,000-50,000</td>
<td>$20,000-50,000</td>
</tr>
<tr>
<td>House (modest size, finish)</td>
<td>$155-165/sq. ft.*</td>
<td>$155-165/sq. ft.**</td>
</tr>
<tr>
<td>Private well</td>
<td>n/a</td>
<td>$11,000-15,000</td>
</tr>
<tr>
<td>Private septic system</td>
<td>n/a</td>
<td>$8,000-25,000</td>
</tr>
</tbody>
</table>

* Includes permits & fees, driveway, and appliances. Not included: landscaping.
** Includes permits & fees and appliances. Not included: driveway or landscaping.

Other cost considerations, multi-family structures: fire suppression measures (sprinklers and/or firewalls, etc.), storm water runoff, public hearings, ADA requirements, etc.
Door County’s Aging Population

| Age Group | Door County | | State | | |
|-----------|-------------|-------------|-------------|-------------|
| 0 - 24    | 23%         | 18%         | 33%         | 30%         |
| 25 - 64   | 54%         | 44%         | 53%         | 46%         |
| 65+       | 23%         | 38%         | 14%         | 24%         |
| Total Population | 100%     | 100%        | 100%        | 100%        |

*Source: Wisconsin Department of Administration, Population Projections, Vintage 2013.*
AECOM Door County Housing Study 2019: QUANTIFY THE PROBLEM. RECOMMEND STRATEGIES.

Analysis by geographic area:

- Northern Door (everything north of Sevastopol)
- Central Door (City of Sturgeon Bay, Towns of Sturgeon Bay, Sevastopol, and Nasewaupee)
- Southern Door (Clay Banks, Forestville Town, Forestville Village, Union, Gardner)

Analysis within each area on three topics:

- Year-round workforce housing
- Year-round senior housing (living independently)
- Seasonal housing (beds)
Workforce Rental Apartments “Needed” But Not Constructed, 2010-2017:
Northern Door: 140
Central Door: 330

Workforce Rental Apartments Needed, 2018-2023:
Northern Door: 65
Central Door: 45

Rents need to be generally between $500-$1,000/month, with more than half in the $500-$799 range.

Southern Door was found to not be lacking in apartments now, nor projected to be in the next five years.
Senior Housing Needed, 2018-2023

Rental Apartments
Northern Door: 60
Central Door: 135
Southern Door: 5

Owner-Occupied Homes
Northern Door: 295
Central Door: 275
Southern Door: 5
Seasonal Housing Needed (Beds)

**Shortage, 2010-2017**
- Northern Door: 200
- Central Door: 205
- Southern Door: 50

**Projected Need, 2018-2023**
- Northern Door: 70
- Central Door: 40
- Southern Door: 5

*No analysis was provided regarding recommended rent levels.*
Door County Entry-Level Worker Incomes

---Door County median household income 2017---------$56,500---------

- County patrol officer: $56,160
- Registered nurse (skilled nursing facility): $55,162
- County-employed social workers, nurses: $48,318
- Elementary teacher: $36,000

---One-adult household ALICE 2016 “stability” budget---$33,168---

- Welder, cutter, solderer: $32,000
- Construction laborer: $28,030
- Hotel/motel clerk: $23,500
- Cook: $20,400

---One-adult household at $7.25/hr. (WI min. wage)-----$15,080-----

Sources: U.S. Census Bureau (2017 figures); WI Department of Workforce Development (2017 figures); Door County Medical Center (April 2019); Door County Human Resources Department (April 2019); Wisconsin Information System for Education Data Dashboard (2018 figures); MinimumWage.org (2019).
# Available Rentals in Door County

<table>
<thead>
<tr>
<th></th>
<th>Efficiency</th>
<th>One-Bedroom</th>
<th>Two-Bedroom</th>
<th>Three-Bedroom</th>
<th>Four-Bedroom</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HUD FMR 2018</strong></td>
<td></td>
<td>$493</td>
<td>$588</td>
<td>$718</td>
<td>$974</td>
</tr>
<tr>
<td><strong>Sister Bay</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>$1,160-1,185</td>
<td>$1,275-1,325</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sturgeon Bay</strong></td>
<td></td>
<td>$815</td>
<td>$1,025</td>
<td></td>
<td>$1,145</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$845</td>
<td>$975</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>$725</td>
<td>$1,125</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>$675</td>
<td>$870</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>$1,110</td>
<td>$1,545</td>
<td>$1,800+</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>$693</td>
<td>$917</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>$845-895</td>
<td>$975-1,025</td>
<td>$1,095-1,145</td>
<td></td>
</tr>
</tbody>
</table>

* U.S. Dept. of Housing & Urban Development Fair Market Rent

** Source = ApartmentFinder.com, April 11, 2019

Figures not included for the 21 of 30 listings showing no availability.

*Door County typically has about a 2% vacancy rate. HUD considers 5% ideal.
## Worker Housing Budgets Compared to Rent

<table>
<thead>
<tr>
<th>Worker</th>
<th>No Debt</th>
<th>Student Loan Debt</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>County-wide average, 1 bedroom rent:</strong> $828</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Patrol Officer</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monthly housing budget</td>
<td>$1,404</td>
<td>$1,372</td>
</tr>
<tr>
<td><strong>Gap/surplus</strong></td>
<td>$576</td>
<td>$544</td>
</tr>
<tr>
<td><strong>Registered Nurse</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monthly housing budget</td>
<td>$1,379</td>
<td>$1,316</td>
</tr>
<tr>
<td><strong>Gap/surplus</strong></td>
<td>$551</td>
<td>$488</td>
</tr>
<tr>
<td><strong>County Social Worker, Nurse</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monthly housing budget</td>
<td>$1,208</td>
<td>$1,145</td>
</tr>
<tr>
<td><strong>Gap/surplus</strong></td>
<td>$380</td>
<td>$317</td>
</tr>
</tbody>
</table>

**Notes:**

All housing budget figures were calculated using pre-tax income.

Only student loan debt was considered, not credit cards or car payments.

Utilities not necessarily included in rent figure.
## Worker Housing Budgets Compared to Rent

<table>
<thead>
<tr>
<th>Worker</th>
<th>No Debt</th>
<th>Student Loan Debt</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>County-wide average, 1 bedroom rent: $828</td>
<td></td>
</tr>
<tr>
<td>Elementary teacher</td>
<td>$900</td>
<td>$837</td>
</tr>
<tr>
<td>Monthly housing budget</td>
<td>$900</td>
<td>$837</td>
</tr>
<tr>
<td>Gap/surplus</td>
<td>$71</td>
<td>$9</td>
</tr>
<tr>
<td>Welder/cutter/solderer</td>
<td>$800</td>
<td>$768</td>
</tr>
<tr>
<td>Monthly housing budget</td>
<td>$800</td>
<td>$768</td>
</tr>
<tr>
<td>Gap/surplus</td>
<td>$28</td>
<td>$60</td>
</tr>
<tr>
<td>Construction laborer</td>
<td>$701</td>
<td>$668</td>
</tr>
<tr>
<td>Monthly housing budget</td>
<td>$701</td>
<td>$668</td>
</tr>
<tr>
<td>Gap/surplus</td>
<td>$127</td>
<td>$160</td>
</tr>
</tbody>
</table>

**Notes:**
All housing budget figures were calculated using pre-tax income. Only student loan debt was considered, not credit cards or car payments. Utilities not necessarily included in rent figure.
## Worker Housing Budgets Compared to Rent

<table>
<thead>
<tr>
<th>Worker</th>
<th>No Debt</th>
<th>Student Loan Debt</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>County-wide average, 1 bedroom rent: $828</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hotel/motel clerk</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monthly housing budget</td>
<td>$587</td>
<td>$555</td>
</tr>
<tr>
<td><strong>Gap/surplus</strong></td>
<td>$241</td>
<td>$273</td>
</tr>
<tr>
<td>Cook</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monthly housing budget</td>
<td>$510</td>
<td>$478</td>
</tr>
<tr>
<td><strong>Gap/surplus</strong></td>
<td>$318</td>
<td>$350</td>
</tr>
</tbody>
</table>

Notes:
All housing budget figures were calculated using pre-tax income. Only student loan debt was considered, not credit cards or car payments. Utilities not necessarily included in rent figure.
Housing Budgets

According to U.S. Dept. HUD, $1,412 per month is what Door County’s median income households can afford to spend on housing:

▸ $56,500 (AMI) divided by 12 months = $4,708.
▸ 30% of $4,708 = $1,412.

But... What does the ALICE study say households near the AMI can afford for housing?

<table>
<thead>
<tr>
<th></th>
<th>ALICE “Survival” household (2 adults, 1 infant, 1 preschoofer)</th>
<th>ALICE “Stability” household (1 adult, 1 school-aged child)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Income</td>
<td>$57,984</td>
<td>$57,732</td>
</tr>
<tr>
<td>Monthly Income</td>
<td>$4,832</td>
<td>$4,811</td>
</tr>
<tr>
<td>monthly housing allocation</td>
<td>$733</td>
<td>$916</td>
</tr>
</tbody>
</table>
Who or What is ALICE?

- Asset-Limited, Income-Constrained, **Employed**
- 17-state United Way collaborative project/study
- ALICE households: above federal poverty level, but below “household stability” level. Living on a “survival budget.”
- Survival and stability budget levels vary by household configuration, and consider spending required for:

  Housing
  Food
  Health care
  Technology
  Miscellaneous

  Child care
  Transportation
  Savings
  Taxes

**United Way of Door County**
ALICE Annual Budgets

2016 Door County annual “survival” budgets:
$19,956 - $57,984 (ALICE minimums, just above federal poverty level)

2016 Door County annual “stability” budgets:
$33,168 - $107,220 (above ALICE)

Explanation of budget ranges:

Low figures = Household comprised of a single adult.
High figures = Household with two adults, an infant, and a preschooler.
Community Development Block Grant CLOSE – Housing (CDBG CL-HSG)

Grant Application

Revised 06/25/20
CDBG CL-HSG PROGRAM CONTACT INFORMATION

Mailing Address: Wisconsin Department of Administration  
Division of Energy, Housing and Community Resources  
Bureau of Community Development  
ATTN: CDBG CL-HSG Applications  
101 E. Wilson St., 9th Floor  
P.O. Box 7970  
Madison, WI 53707-7970

Telephone: David Pawlisch, Director  
Bureau of Community Development  
(608) 261-7538

Email: DOACDBG@wisconsin.gov

PLEASE NOTE:
CDBG CL-Housing Grant Application materials can be downloaded from the Bureau of Community Development section on the Division of Energy, Housing and Community Resources website at: https://doa.wi.gov/Pages/CDBGCLOSE.aspx. Please download the electronic document(s) prior to application submission to ensure that you are referencing the most up-to-date version of the application as periodic revisions may have been made since this copy was printed.
# Wisconsin Department of Administration
**Division of Energy, Housing and Community Resources**

**Community Development Block Grant CLOSE**  
**Housing (CDBG CL-HSG)**  
**Grant Application**

## PART 1 - GRANT REQUEST

<table>
<thead>
<tr>
<th>Grant Request Amount:</th>
<th>Other Funding, if applicable:</th>
<th>Total Project Cost:</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,447,131,81</td>
<td>$</td>
<td>$3,121,530</td>
</tr>
</tbody>
</table>

**Project Scope:**  
- [ ] Community-Wide  
- [x] Neighborhood, District, or Site-Specific

**Project Title:** Door County – Sturgeon Bay West Side School Redevelopment

**Brief Project Description:** We are planning to convert an old school building that has been vacant for years and convert it into 15 rental units of which 51% will be required for low or moderate income individuals.

If Project receives CDBG funding:  
- Project Begin Date (MM/YY): _6_/ _2021_  
- Project Completion Date (MM/YY): _12_/ _2022_

## PART 2 – APPLICANT INFORMATION

**APPLICANT** (Unit of General Local Government): County

**County:** Door

**Chief Elected Official (CEO):** Ken Pabich  
**Title:** County Administrator

**Clerk:** Jill Lau

**Finance Director:** Steve Wipperfurth

**Official Municipal Street Address:** 421 Nebraska Street

**City, Zip:** Sturgeon Bay, 54235  
**DUNS #:** 052071503

**CEO Phone:** (920) 746 – 2303  
**CEO Fax:** (920) 746 – 2538  
**FEIN:** 39-6005686

**CEO E-Mail:** kpabich@co.door.wi.us  
**Clerk E-Mail:** jlau@co.door.wi.us

**Chief Elected Official Signature:**

**Date:**

### Application Contact

**Name:** Ken Pabich  
**Agency/Company:** County of Door

**Mailing Address:** 421 Nebraska Street, Sturgeon Bay, WI 54235

**Phone:** (920) 746 – 2303  
**Fax:** (920) 746 – 253  
**E-Mail:** kpabich@co.door.wi.us

---

CDBG CL–Hsg Grant Application Revised 06/25/2020
PART 2 – INITIAL ELIGIBILITY
Provide or acknowledge the following to demonstrate initial application eligibility:

Yes  No

☒  ☐ 1. Authorizing Resolution to submit a CDBG Application is attached.
☒  ☐ 2. Approved Resolution to Adopt the Citizen Participation Plan is attached.
☒  ☐ 3. Applicant’s Citizen Participation Plan is attached.
☒  ☐ 4. Documentation of the first public hearing notice published in the newspaper, verifying that the public was given a minimum of 2 weeks (14 days) advance notice of the public hearing, is attached.
☒  ☐ 5. Citizen Participation Public Hearing Certification is attached.
☒  ☐ 6. Public hearing meeting minutes is attached.
☒  ☐ 7. Public hearing sign-in sheet(s) is attached.
☒  ☐ 8. Potential Fair Housing Actions are attached.
☒  ☐ 9. Approved Resolution to Adopt the Fair Housing Ordinance is attached.
☒  ☐ 10. Statement of Assurances is attached.
☒  ☐ 11. A copy of the Relocation Plan/Anti-Displacement Policy is attached.
☒  ☐ 12. Lobbying Certification is attached.
☒  ☐ 13. A copy of the Non-Violent Demonstration Policy is attached.
☒  ☐ 15. If this project is funded, I/we acknowledge that I/we will be required to complete an environmental review before the unit of general local government (UGLG) begins housing rehabilitation activities and can receive grant funds.
☒  ☐ 16. If this project is funded, I/we acknowledge that professional services for grant administration will be properly procured in compliance with Federal, State, and local requirements.
☒  ☐ 17. Applicant certifies it is not on the federal debarment list (found at: www.sam.gov)

By initialing, the Chief Elected Official (CEO) certifies that the eligibility information noted above is complete and accurate.

Briefly describe your process for procuring a grant administrator and explain how it complies with Federal, State, and local procurement requirements (not applicable if community staff will perform grant administration duties):

The project will be administrated by County Staff.

Contact the Bureau Director if any answer in this section is “No”
PART 3 – PROJECT NEED

Using the section headings provided, concisely describe the need for the proposed project and CDBG funding by addressing the following:

1. Current condition of the problem;
2. Frequency with which the problem occurs;
3. Number of persons and/or families/households affected by the problem;
4. Effect(s) of the problem if left untreated/unaddressed;
5. Extent to which the completion of the proposed project will address the problem;
6. Scope of work; and
7. Extent to which CDBG funding is needed to complete the project.

Data or pertinent information that may serve as justification for the need for the project may be included in the narrative or as an attachment to this application. Limit the narrative to two (2) pages not less than 11-point font.

NOTE: The CDBG subcategory of the National Objective of Activities Benefiting LMI Persons is LMI Housing. Occupancy and eligibility of the assisted housing by LMI income households under this subcategory is determined using the following general rules:

- All assisted single unit structures must be occupied by LMI households,
- An assisted two-unit structure (duplex) must have at least one unit occupied by an LMI household, and
- An assisted structure containing more than two units must have at least 51% of the units occupied by LMI households.

*** Additional supporting documentation for Project Need may be attached. It may not exceed 20 pages ***
1. Current condition of the problem:
[The proposed project involves the rehabilitation of a decommissioned school building (West Side School) located in the City of Sturgeon Bay into 15 apartment units, with 8 units to be set aside for low- to moderate-income (LMI) households. The City of Sturgeon Bay and surrounding area (Central Door) is the population center of the county and has historically offered many year-round jobs, primarily in manufacturing, education, and health care. Many of these positions are entry-level and difficult to keep filled, an issue at least partially attributable to a lack of affordable housing. A corollary issue is that Door County’s younger population is declining more rapidly and its older population is growing more rapidly than the state. The lack of affordable housing significantly contributes to and exacerbates the problem of keeping young people in the county and critical entry-level positions filled. (More detailed information on affordable housing and related issues, construction costs, and age demographics can be found on pp. 2-5 of the attached supporting documentation.)

A housing study done for Door County, completed in 2019, identified a need for hundreds of year-round workforce, seasonal workforce, and senior housing units in Central and Northern Door. (See pp. 6-9 of the attached supporting documentation for more detailed information.) This study also determined that rents needed to be generally between $500-$1,000/month, with more than half in the $500-$799 range. Since this study was completed, at least 98 new rental units have been built in the City, but none of them rent for less than $800 per month.

Providing affordable units is critical to keeping entry-level positions filled and young people in the county. A 2019 study conducted by the Door County Land Use Services Department found many common and much-needed occupations cannot afford to rent an apartment in some or all areas of Door County. This analysis compared entry-level wages for eight occupations essential to human services and the local economy to the county-wide average rent for a one-bedroom unit, at $828 per month. The top four occupations could afford an average unit (assuming they can find an available unit, difficult given a less than 2% vacancy rate), but the lower four occupations cannot. The rent gap for the lower four occupations ranges between $43 and $318. (See pp. 10-14 of the attached supporting documentation for more detailed information.)

In addition to this lack of affordable housing, there is also the problem of what to do with the West Side School, a vacant building falling into disrepair. Located in a Central Business District and near popular parks, a marina, a museum, and a thriving retail strip, this property is significantly underutilized. The site is amenable to a high-end housing unit project and could potentially go that route if the assisted structure proposed by this application is not funded.

2. Frequency with which the problem occurs:
[Central Door’s affordable housing shortage has been a problem for many years. The aforementioned housing study estimated that 330 units of workforce rental apartments were “needed” but not constructed in Central Door between 2010 and 2017. Recent and near-future developments do not seem to be addressing this shortage. The City is currently working with two developers to build up to 38 new market-rate units at a different location, however, none of the proposed units will rent for less than $800 per month.

Regarding the West Side School itself, the current owner purchased the property from the City of Sturgeon Bay in 2004. No formal plans to develop the property occurred until 2019 when a regional developer (Northpointe Development) applied for and received approvals from the City to rehabilitate and add on to the building for a total of 40 apartment units, all proposed to be affordable via WHEDA low income housing tax credits. To help make the project feasible, the City agreed to sell the developer an adjacent ballfield and the county agreed to set aside its $1.4 million CDBG RLF-CLOSE funds for the project. Ultimately, the developer was not awarded the WHEDA tax credits that were needed to make the project possible, in part because credits had been awarded in
the past several years to a different rehabilitation project located in the City. Northpointe
Development has expressed interest in applying for credits again, however, the credits for rural
areas such as Door County are generally difficult to win.]

3. **Number of persons and/or households affected by the problem:**
   [According to the US Census Bureau 2019 5-year estimates, there were 1,717 renting households
   in Central Door, with 715 (42%) of those paying 30% or more of their gross household income
towards rent.

   In addition to the US Census data, United Way recently released data gathered in 2018 on Door
   County’s income constrained households (households earning more than the federal poverty level,
   but less than the area’s basic cost of living). According to this study, nine percent of Door County’s
   households fall below the federal poverty level and another 22% are considered to be income
   constrained. In short, a total of 31% of Door County’s households are struggling to afford basic
   necessities such as housing, child care, food, transportation, health care, and internet access. In
   Central Door alone, 38% of the households are struggling to afford the basic necessities. (See pp.
   15-18 of the attached supporting documentation for more detailed information.

4. **Effect(s) of the problem if left untreated:**
   [Door County’s workforce deals with a lack of availability and high costs of housing, transportation,
   and daycare. These prohibitive conditions make it difficult for young families to stay in or to move to
   the county. As stated previously, the county’s younger population demographic is decreasing at a
   faster rate than the rest of the state. Without more affordable housing, young people will continue
   to leave the county and businesses will continue to struggle to fill both seasonal and entry-level
   year-round jobs.

   The school building itself will continue to fall into disrepair, further risking the prospect of an
   assisted structure. The county’s limited pool of developers have plenty of work developing higher-
   end single-family homes, multi-family developments, and commercial buildings that are more
   profitable for them.]

5. **Extent to which this proposed CDBG-Housing project will alleviate the problem:**
   [Northpointe Development will set aside at least 51% of the units for LMI households. The
   developer is proposing between 15 total units, which would result in 8 or 9 units for LMI
   households. These LMI units will help an equivalent number of households that are currently
   struggling to afford the basic necessities. The redevelopment will also save the building itself,
   which will be unsalvageable if not rehabilitated soon.]

6. **Scope of work:**
   [The scope of work is to remodel and reconfigure an existing, decommissioned school building into
   an “assisted structure with more than two units.” Door County is applying for a grant from the
   CDBG Closeout Program to be used by Northpointe Development to offset the development costs
   so that the project is financially viable.]

7. **Extent to which CDBG funding is needed to complete the project:**
   [Without CDBG funding, this project will not happen. The building simply cannot be redeveloped as
   affordable housing ever in part without some sort of public subsidy.]
### Eligible Activities

- Conversion
- Other (specify):

**Required:** Attach a detailed itemization of project costs (e.g., engineer’s estimate or similar itemization of costs) to verify the costs listed in the Budget below. Attach documentation of Other Funds, if available.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Source(s) of Other Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>CDBG Funds</td>
</tr>
<tr>
<td>Acquisition - Land</td>
<td></td>
</tr>
<tr>
<td>Acquisition - Building</td>
<td></td>
</tr>
<tr>
<td>Building Conversion</td>
<td>1,431,131.81</td>
</tr>
<tr>
<td>Administration</td>
<td>16,000</td>
</tr>
<tr>
<td>Other (describe)</td>
<td></td>
</tr>
<tr>
<td><strong>Sub-Total(s):</strong></td>
<td>1,447,131.81</td>
</tr>
</tbody>
</table>

Detailed Itemization of Project Costs is attached to this application:  
- Yes  
- No

Sample forms found in the Appendix.
CONDITIONAL USE PERMIT

17 - 23 W PINE STREET, STURGEON BAY, WI

TAX PARCEL ID: 201440023001

EXHIBIT: 4

REMOVE PANELS AND
RESTORE ENTIRE WINDOW
OPENING. REPLACE ALL
WINDOWS WITH HISTORICALLY
SIMILAR REPLICA WINDOWS -
TYPICAL AT ALL WINDOWS.

REMOVE BRICK INFILL AND
REPLACE WITH HISTORICALLY
SIMILAR REPLICA WINDOWS -
TYPICAL AT ALL ORIGINAL
OPENINGS

NEW HISTORICALLY SIMILAR
DOORS - PROJECT WIDE

REMOVE LOUVERS AND
REPLACE WITH WINDOWS

MASSING STUDY OF NEW MAIN ENTRANCE

FINAL ENTRANCE DESIGN
SUBMITTED AT TIME OF
PERMITTING

AFTER

NEW ENTRANCE
DOOR IN ORIGINAL
WINDOW OPENING

TUCKPOINT AND REPAIR BRICK
MASONRY AS NECESSARY

OPENINGS THAT WERE NOT ORIGINAL
TO REMAIN FILLED IN

BRICK INFILL TO REMAIN AT THESE
TWO OPENINGS FOR DWELLING UNIT
PRIVACY. RESTORE BRICK COLOR

NEW ROOF OVER 1-STORY PORTION OF GYMNASIUM

NEW ENTRANCE CANOPY AND BRICK WALLS

NEW ROOF OVER 1-STORY PORTION OF GYMNASIUM

NEW HISTORICALLY SIMILAR
STEEL, SASH REPLICA
WINDOWS IN MUSEUM

ORIGINAL MONUMENT STAIRS
AND WALL TO BE LEFT AS A
LANDSCAPED FEATURE FOR
HISTORICAL INTERPRETATION

A0.4
SAWYER SCHOOL
ADAPTIVE REUSE
SAWYER SCHOOL ADAPTIVE REUSE
SAWYER SCHOOL
ADAPTIVE REUSE

2 Bed 856 s.f.

2 Bed 856 s.f.

1 Bed 700 s.f.

2 Bed 1,016 s.f.

1 Bed 700 s.f.
Sturgeon Bay School  
17 W Pine St, Sturgeon Bay  
Project Costs

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
<th>Cost</th>
</tr>
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<tr>
<td><strong>A. Land &amp; Buildings</strong></td>
<td>Land</td>
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<td></td>
<td>Existing Structures</td>
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<td><strong>Subtotal</strong></td>
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<td>$300,000.00</td>
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<tr>
<td><strong>B. Rehab &amp; New Construction</strong></td>
<td>New Construction</td>
<td>183,214 /unit</td>
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<tr>
<td></td>
<td>Personal Property</td>
<td>3,800 /unit</td>
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<tr>
<td></td>
<td>General Requirements</td>
<td>9,643 /unit</td>
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<tr>
<td></td>
<td>Contractor Overhead</td>
<td>3,120 /unit</td>
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<tr>
<td></td>
<td>Contractor Profit</td>
<td>8,326 /unit</td>
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<tr>
<td><strong>Subtotal</strong></td>
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<td>208,102 /unit</td>
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<tr>
<td><strong>C. Contingency</strong></td>
<td>Construction Contingency</td>
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<td><strong>Subtotal</strong></td>
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<td>$315,275.00</td>
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<td></td>
<td>Per Unit Construction</td>
<td>229,120 /unit</td>
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<td><strong>Construction Cost Subtotal</strong></td>
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<td>$3,436,805.00</td>
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<td><strong>D. Architectural</strong></td>
<td>Architect - Design</td>
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<tr>
<td></td>
<td>Architect - Supervision</td>
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<tr>
<td></td>
<td>Surveying</td>
<td>$5,000.00</td>
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<tr>
<td></td>
<td>Engineering</td>
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<td><strong>Subtotal</strong></td>
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<td>$71,000.00</td>
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<td><strong>E. Interim Costs</strong></td>
<td>Construction Insurance</td>
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<td>Construction Interest</td>
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<td>Construction Loan Fee</td>
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<tr>
<td></td>
<td>Real Estate Taxes</td>
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<td>Letter of Credit and Other Closing Fees</td>
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<td><strong>Subtotal</strong></td>
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<td>$102,725.00</td>
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<td><strong>F. Financing Fees &amp; Exp.</strong></td>
<td>Permanent Loan Fee</td>
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<td>Title &amp; Recording</td>
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<tr>
<td></td>
<td>Other: Legal</td>
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<tr>
<td><strong>Subtotal</strong></td>
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<td>$63,665.00</td>
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<tr>
<td><strong>G. Soft Costs</strong></td>
<td>Appraisal</td>
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</tr>
<tr>
<td></td>
<td>Market Study</td>
<td>$2,500.00</td>
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</tbody>
</table>
Environmental $ 3,500.00
Tax Credit Fees $ 7,000.00
Application Fee/Compliance $ 5,500.00
Cost Certification $ 15,000.00
Rent-up Marketing $ 15,000.00
Subtotal $ 51,000.00

H. Syndication Costs
Organization $ 2,000.00
Subtotal $ 2,000.00

I. Development Reserves
Initial Operating $ 70,000.00
Lease-up $ 22,500.00
Subtotal $ 92,500.00

TOTAL DEVELOPMENT COST $ 4,119,695.00

Max Cost Requirement $ 230,342.00
Total Per Unit $ 274,646.33