

1997-98 SESSION
COMMITTEE HEARING
RECORDS

Committee Name:

Joint Committee on
Finance
(JC-Fi)

Sample:

- Record of Comm. Proceedings
- 97hrAC-EdR_RCP_pt01a
- 97hrAC-EdR_RCP_pt01b
- 97hrAC-EdR_RCP_pt02

- Appointments ... Appt
-
- Clearinghouse Rules ... CRule
-
- Committee Hearings ... CH
-
- Committee Reports ... CR
-
- Executive Sessions ... ES
-
- Hearing Records ... HR
-
- Miscellaneous ... Misc
- 97hr_JC-Fi_Misc_pt05i_DPR
-
- Record of Comm. Proceedings ... RCP
-

Joint Finance

16.515/16.505

14 Day Passive
Reviews

5/14/97 -

6/30/97

Block Grant
6/16/97

THE STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

Room LL 1 MLK
P.O. Box 7882
Madison, WI 53707-7882
Phone: (608) 266-8535



ASSEMBLY CHAIR
SCOTT JENSEN

315-N Capitol
P.O. Box 8952
Madison, WI 53708-8952
Phone: (608) 264-6970

JOINT COMMITTEE ON FINANCE

June 18, 1997

The Honorable Tommy G. Thompson
Governor
Room 115 East, State Capitol
Madison, Wisconsin 53707

Dear Governor Thompson:

We are writing to inform you that the members of the Joint Committee on Finance have reviewed your May 27, 1997 request, pursuant to s. 16.54(2)(a)2, Stats., concerning the expenditure of federal block grant funds for housing and community development activities.

No objections have been raised concerning this request. Accordingly, the request is approved.

Sincerely,

Handwritten signature of Brian Burke in black ink.

BRIAN BURKE
Senate Chair

Handwritten signature of Scott Jensen in black ink.

SCOTT JENSEN
Assembly Chair

BB:SJ:jc

cc: Members, Joint Committee on Finance
Richard Chandler, State Budget Office
Jay Huemmer, Department of Administration

THE STATE OF WISCONSIN

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Phone: (608) 264-6970

JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Brian Burke
Representative Scott Jensen
Co-Chairs, Joint Committee on Finance

Date: May 30, 1997

Re: Request for Expenditure of Block Grant Funds

Attached is a copy of a request from the Governor requesting approval for the expenditure of block grant funds being made available to the state by the federal government. Pursuant to s. 16.54(2)(a)2, Stats., the Governor may not encumber or expend federal block grant funds authorized under any federal law enacted after August 31, 1995, without notifying the Joint Committee on Finance of the grant and the proposed expenditures. If the Co-Chairs of the Committee do not notify the Governor within 14 working days after receiving the request that a meeting has been scheduled to review the proposal, the moneys may be expended.

The attached request concerns funding for housing and community development activities. Please review this item and notify Senator Burke or Representative Jensen no later than Monday, June 16, 1997, if you have any concerns about the request or would like the Committee to meet formally to consider it.

Also, please contact us if you need further information.

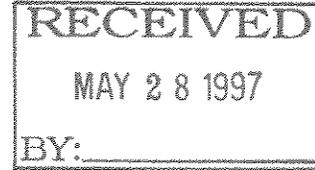
BB:SJ:jc



TOMMY G. THOMPSON

**Governor
State of Wisconsin**

May 27, 1997



The Honorable Brian Burke, Co-Chair
Joint Committee on Finance
100 North Hamilton Street, Room 302
Madison, WI 53707

The Honorable Scott Jensen, Co-Chair
Joint Committee on Finance
State Capitol, 315 North
Madison, WI 53707

Brian
Dear Senator Burke and Representative Jensen:

Attached is a request for expenditure of block grant funds being made available to the state by the federal government. Pursuant to s. 16.54(2)(a)2., the grant funds will be made available for encumbering through the allotment process within 14 working days after the date of this notification letter, unless you notify me that a meeting has been scheduled for the Joint Committee on Finance to review the proposed expenditure of grant monies.

Please also contact State Budget Director Richard G. Chandler (266-1035) in the Department of Administration if you have any additional questions or if you schedule a meeting to review the proposed expenditure.

Thank you for your prompt attention to this notification letter.

Sincerely,

Tommy G. Thompson
TOMMY G. THOMPSON
Governor

Attachments

FINAL COPY
FOR HUD REVIEW
2/13/97



STATE OF WISCONSIN
Department of Administration
Department of Commerce

**CONSOLIDATED PLAN
ANNUAL UPDATE**

April 1, 1997 - March 31, 1998

State of Wisconsin ■ Tommy G. Thompson, Governor
Department of Administration ■ Mark D. Bugher, Secretary
Department of Commerce ■ William J. McCoshen, Secretary



State of Wisconsin
Departments of Administration and Commerce

February 13, 1997

Ms. Lana J. Vacha, Director
Community Planning and Development
Wisconsin Office
U. S. Department of Housing and Urban Development
Henry Reuss Federal Plaza
310 West Wisconsin Avenue - Suite 1380
Milwaukee, Wisconsin 53233-2289

Dear Ms. Vacha:

We are pleased to submit to your office the 1997-98 Consolidated Plan Annual Update for the State of Wisconsin. This document is a joint effort between the Departments of Commerce and Administration in formulating policies and strategies for expending CDBG, HOME, ESG and HOPWA funds.

The State prepared this Update in accordance with the "Consolidated Submission for Community Planning and Development Programs" final rule that HUD published on January 5, 1995, subsequent guidance received from your office, and changes in the past year that were announced through the Federal Register (in particular: the HOME Program final rule; the Displacement, Relocation Assistance, and Real Property Acquisition final rule; and the CDBG Community Revitalization Strategy for States interim rule.)

The State of Wisconsin published a Notice of Availability for Public Comment in the State's newspaper of record (the Wisconsin State Journal) that permitted the public to review a draft of this Update for a thirty-day period prior to its submission.

Should you or your staff have any questions regarding our Annual Update, please contact us. We look forward to receiving approval of this Update by April 1, 1997.

Sincerely,

Handwritten signature of Philip Edw. Albert in black ink.

Philip Edw. Albert, Administrator
Division of Economic Development
Department of Commerce

Handwritten signature of Lee Martinson in black ink.

Lee Martinson, Administrator
Division of Housing
Department of Administration

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INTRODUCTION

This *Annual Update* is the second to be submitted to the U.S. Department of Housing and Urban Development under the State of Wisconsin's Consolidated Plan. It covers the program year that begins April 1, 1997 and ends March 31, 1998.

This *Annual Update* outlines the anticipated revenues—federal, state, and private—that the Department of Administration's Division of Housing (DOH) and the Department of Commerce¹ (Commerce) expect to receive for housing and community development activities. It also describes actions that DOH and Commerce will undertake in carrying out HUD-funded programs, the method of distributing all funds, the geographic distribution of funds (as applicable), and other relevant activities.

The *Annual Update* follows the format that HUD's Office of Community Planning and Development recommended in its publication, "Draft Guidelines for Preparing A State Consolidated Strategy and Plan Submission For Housing and Community Development Programs," the most recent edition of which was released on September 15, 1995. In addition, this edition incorporates responses to requirements that HUD has promulgated through Federal Register notices in the past year.

Agency contacts for this *Annual Update* are:

Mr. Lee Martinson, Administrator, Division of Housing

Wisconsin Department of Administration

101 E. Wilson St., 4th Floor

P.O. Box 8944

Madison, WI 53708-8944

Telephone: (608) 266-0288

FAX: (608) 267-6917

Mr. Philip E. Albert, Administrator, Division of Economic Development

Wisconsin Department of Commerce

123 W. Washington Ave.

P.O. Box 7970

Madison, WI 53707-7970

Telephone: (608) 267-0770

FAX: (608) 266-5551

¹ The Wisconsin Department of Development changed its name to the Department of Commerce on July 1, 1996. In this Update, "Commerce" or "the Department" will serve as shorthand for the Department of Commerce.

**The State of Wisconsin's Annual Update
April 1, 1997 - March 31, 1998**

NEW RESOURCES

**RESOURCES FOR HOUSING AND COMMUNITY DEVELOPMENT—
HUD COMMUNITY PLANNING AND DEVELOPMENT FORMULA ALLOCATION PROGRAMS**

Program	HUD Authorization	Program Income/ Recaptured Funds	TOTAL FUNDS	Fiscal Year of HUD Authorization
Community Development Block Grant (CDBG)	\$34,378,500 *	\$4,000,000	\$38,378,500	
<i>Housing</i>	<i>10,423,500</i>	<i>100,000</i>	<i>10,523,500</i>	<i>FY 97</i>
<i>Public Facilities & Economic Development</i>	<i>23,955,000</i>	<i>3,900,000</i>	<i>27,855,000</i>	<i>FY 97</i>
Home Investment Partnership Program (HOME)	12,769,000	738,000	13,507,000	FY 97
Emergency Shelter Grants (ESG)	1,374,000	0	1,374,000	FY 97
Housing Opportunities for Persons with AIDS (HOPWA)	668,000	0	668,000	FY 97
TOTAL REVENUE—HUD CPD PROGRAMS	\$49,189,500	\$4,738,000	\$53,927,500	

*The total Federal Fiscal Year 1997 CDBG authorization to the State of Wisconsin is \$34,256,000. Housing allocates its share of CDBG funds one year after the state receives its authorization.

Up to \$2,000,000 in CDBG Housing funds have been set aside from the FY 96 authorization for emergency purposes. Up to \$1,000,000 in CDBG Public Facilities and Economic Development funds will be set aside from the FY 97 authorization for emergency purposes.

Leveraging of Other Resources with Federal CPD Formula Funds

These federal programs leverage other resources:

CDBG Housing: Units of government that receive CDBG Small Cities Housing funds may use portions of their grants for home ownership assistance. Under current regulations, they may provide (as a loan, usually deferred payment) assistance with closing costs, up to 50% of the down payment, and rehabilitation costs that create equity toward the down payment. This home ownership assistance leverages private mortgage financing. In addition, the use of CDBG funds for owner-occupied and renter-occupied rehabilitation leverage additional rehabilitation funding from private nonprofit and public sources. Finally, neighborhood improvements may leverage public financial support. The estimated total leverage of the CDBG Housing program in the coming year is \$15,000,000.

CDBG Non-Housing Community Development: Local units of government are encouraged, through the awarding of points in the scoring of applications, to achieve a minimum leverage of \$1 in other funds for every \$1 of CDBG Small Cities Public Facilities, Economic Development, and Public Facilities for Economic Development funds.

HOME: Agencies that receive HOME support leverage additional funds through financial contributions, foregone taxes and fees (e.g., banks and attorneys may waive all or a portion of their fees, municipalities may reduce taxes), bond financing, reduced or donated site preparation costs (including construction materials and labor), and donated land and/or infrastructure. The estimated total

leverage of the HOME program in the coming year is \$13,000,000 (this total includes matching funds, which are discussed below).

ESG: Leveraging of other funds is not a requirement under the Emergency Shelter Grant Program.

HOPWA: Leveraging of other funds is not a requirement under the Housing Opportunities for Persons with AIDS Program.

Meeting Matching Requirements of Federal Funds

CDBG: This program does not require local governments to provide a match.

HOME: The regulations of the HOME program require a 25% match. This match level is required for each rental housing development project and encouraged for all other projects, although agencies may choose to seek an overall 25% match for all of the projects that they undertake. Examples of matching sources are: numerous state programs (the Division of Housing's Housing Cost Reduction Initiative, Department of Health and Family Services' Community Options Program and Community Integration Program, Department of Veterans Affairs' and WHEDA's Home Improvement Loan Programs), and the WHEDA Foundation.

ESG: Each city, county, tribe, or nonprofit organization that receives Emergency Shelter Grant funding is required to match its grant dollar-for-dollar. Agencies in the "balance of state" (non-metropolitan counties²), as a group, have exempted \$100,000 from their matching requirement, due to the greater difficulty of locating funds in rural areas. The grantees use CDBG funds, private donations, in-kind staffing and volunteer time locally, and DOH applies funds from the Interest Bearing Real Estate Trust Accounts program, to meet the match requirements.

HOPWA: Matching funds are not required for HOPWA grants. However, DOH will require grantees that are administering HOPWA contracts in 1997-98 to document other resources (donations, volunteer labor, etc.) for HOPWA activities. During the next year of operation, it is estimated that the HOPWA grantees will generate \$500,000 in matching resources.

RESOURCES FOR HOUSING AND COMMUNITY DEVELOPMENT—

HUD COMPETITIVE PROGRAMS AND OTHER FEDERAL FORMULA PROGRAMS

Federal Program	Anticipated New Revenue	Comments
Weatherization (Dept. of Energy & LIHEAP)	9,148,000	formula allocation
Lead-Based Paint Hazard Control	1,573,200	competitive program; from FFY'96 funds
TOTAL NEW FEDERAL RESOURCES	\$10,721,200	

The Division of Housing received notification in October 1996 that it will receive a new Lead-Based Paint Hazard Control grant. This new grant will be for a three-year period and—similar to an earlier one—will be a cooperative project with the Division of Health in the Department of Health and Family

² These counties are listed in the "Geographic Distribution" section, later in this Update.

Services. The new grant will focus on supporting hazard control work in private, low-income housing as well as education and outreach programs.

The amount that HUD awarded was only about one-half of DOH's original request. DOH and HUD are involved currently in negotiating the terms of the contract. Therefore, details on method of distribution and geographic distribution are not available for this Update. DOH hopes to have subcontracts under way by the summer of 1997.

In addition to these new resources, the Division of Housing administers several programs that were initiated in earlier federal fiscal years.

- Permanent Housing for Handicapped Homeless (now called Permanent Housing for Homeless Persons with Disabilities): DOH received this five-year grant through an FY'93 HUD competition and continues to oversee it for one non-profit organization.³
- Lead Based Paint Hazard Control Grant: This grant, awarded through an FY'93 HUD competition, is a cooperative project between DOH and the Department of Health and Family Service's Division of Health. Thirteen Wisconsin communities are participants; activities are education and cleaning, lead hazard reduction and substantial rehabilitation. Subcontracts with these communities will continue until June 1998.
- CDBG Flood: The State of Wisconsin received HUD allocations in FY'93 and FY'94 to address massive flooding and other weather-related disasters. Slightly more than one-half of the funding from these two fiscal years was allotted to DOH, with the balance used by the Department of Commerce. Subcontracts with local communities will be completed by June 1997.

RESOURCES FOR HOUSING AND COMMUNITY DEVELOPMENT— STATE PROGRAMS

State Program	Anticipated New Revenue	Comments
Housing Cost Reduction Initiative (HCRI)	\$2,800,000	
Local Housing Organization Grants (LHOG)	630,000	
State Shelter Subsidy Grant (SSSG)	1,131,000	
Transitional Housing Grant (TH)	375,000	
Rental Energy Rehabilitation Program (RERP)	67,600	revolving funds from earlier contracts
TOTAL NEW STATE RESOURCES	\$5,003,600	

³ Prior to FY'95, applications under the Permanent Housing for Homeless Persons with Disabilities program were limited to state-level entities. In federal FY'95, HUD changed the method of distributing this funding to an open nation-wide competition.

**RESOURCES FOR HOUSING AND COMMUNITY DEVELOPMENT—
PRIVATE RESOURCES**

Program	Anticipated New Revenue	Comments
Homeless Shelter Programs (ESG & SSSG)	\$350,000	Interest Bearing Real Estate Trust Accounts (IBRETA)
Weatherization	750,000	utility company programs, landlord contributions
Rental Energy Rehabilitation Program (RERP)	372,100	utility company programs, landlord contributions
TOTAL NEW PRIVATE RESOURCES	\$1,472,100	

PRIORITIES AND OBJECTIVES FOR 1997-98

PRIORITIES

The State of Wisconsin's priorities for housing, homelessness, and community development have not changed since we prepared the Consolidated Plan. The following tables summarize these priorities:

PRIORITY HOUSING NEEDS		income by % of median	Priority Need Level		
			0-30%	31-50%	51-80%
RENTER	Small Related	Cost Burden >30%	High	High	Medium
		Cost Burden >50%	High	High	Medium
		Substandard	High	High	Medium
		Overcrowded	High	High	Medium
	Large Related	Cost Burden >30%	High	High	Medium
		Cost Burden >50%	High	High	Medium
		Substandard	High	High	Medium
		Overcrowded	High	High	Medium
	Elderly	Cost Burden >30%	High	High	Medium
		Cost Burden >50%	High	High	Medium
		Substandard	High	High	Medium
		Overcrowded	High	High	Medium
OWNER	Cost Burden >30%	High	High	Medium	
	Cost Burden >50%	High	High	Medium	
	Substandard	High	High	Medium	
	Overcrowded	High	High	Medium	

PRIORITY HOMELESS NEEDS	Priority Need Level		
	Families	Individuals	Persons w/ Special Needs
Assessment/outreach	High	Medium	High
Emergency Shelter	High	High	High
Transitional Housing	High	Medium	Medium
Permanent Supportive Housing	Medium	Medium	High
Permanent Housing	High	High	High

PRIORITY COMMUNITY DEVELOPMENT NEEDS			
PUBLIC FACILITIES	Priority Need	INFRASTRUCTURE IMPROVEMENTS	Priority Need
	Level		Level
Senior Centers	Medium	Solid Waste Disposal	Medium
Youth Centers	Low	Flood Drainage	High
Neighborhood Facilities	Low	Water	High
Child Care Centers	Low	Street	Low
Parks Recreation	Medium	Sidewalk	Low
Health Facilities	Low	Sewer	High
Parking Facilities	Low	Asbestos Removal	Low
Other Public Facilities	Medium	Other	Medium

HOUSING OBJECTIVES AND ACTIVITIES

The state's general housing objectives for 1997-98 are below. Each is followed by the estimated number of households that will be aided and a discussion of the programs the state will use to address these objectives.

- Affordability of housing to all consumers, especially those with severe cost burdens.

Summary of Households to be Assisted Under This Objective

Program	Renters	Home Buyers/ Owners	TOTAL
CDBG	-	75	75
HOME	0	260	260
HCRI	900	770	1,670
LHOG	2,075	2,025	4,100
TOTAL	2,975	3,130	6,105

DOH seeks to achieve this objective primarily through programs focusing on renter and home buyer assistance.

Rental Assistance

HOME: Under HOME regulations, the State may disburse HOME funds to public housing authorities or other entities with prior rent assistance experience for tenant-based rent assistance and security deposits. While a tenant-based rent assistance program is not in place for 1997-98, DOH has proposed a plan to the Governor's Office for a collaborative effort with the Wisconsin Works (W-2) Program, the State's welfare reform initiative. Under the proposal, HOME funds could be used by W-2 households who are homeless or who need to move closer to jobs or training opportunities. Eligible costs would be security deposits and initial rent assistance. DOH has proposed that the maximum assistance per household be \$900. Should executive and legislative approval occur during the 1997-98 program year, DOH will amend this Update to incorporate this new program.

HCRI: Through a competitive grant process, locally based organizations throughout the state access HCRI funding to assist with moving-in costs (first month's last month's rent, security deposits), rent arrearages, utility deposits and payments, and short term subsidies. In the coming year, approximately 900 renter households will be assisted.

LHOG: Local Housing Organization Grants provide support to facilitate the creation of more affordable housing opportunities and to increase the long-term capacity, self-sufficiency, and stability of local housing organizations. Through activities such as housing counseling, information and referral, and outreach, LHOG expects to assist 2,075 rental households in the coming year.

HOPWA: Grantees may provide project- or tenant-based rental assistance, including assistance for shared housing arrangements. In addition, they may make short-term rent, mortgage and utility payments to prevent the homelessness of the tenant or mortgagor of the dwelling. (All HOPWA clients to be assisted are estimated under the fourth objective, "Housing for Persons with Special Needs.")

Transitional Housing: Grantees under the state-funded Transitional Housing program may provide rental assistance to assist their participants in attaining self-sufficiency. (All TH clients to be assisted are estimated under the fourth objective, "Housing for Persons with Special Needs.")

Home Buyer Assistance:

CDBG: Units of local government may use CDBG funds for Homestead Opportunity programs. They may provide closing costs and up to 50% of downpayment cost assistance, and rehabilitation loans that create equity

toward downpayment. In the coming year, the State expects to aid 75 home buyers with CDBG funding. (An additional 15 home buyers will be assisted through site development activities, as described in the next objective.)

HOME: Home buyer acquisition assistance is linked with the HCRI application process (although organizations are free to apply solely for HOME funds, but usually apply for some combination). Grant funds may be used to provide closing cost and down payment assistance and/or new construction, moderate or substantial rehabilitation. The state has a goal of aiding 260 home buyers with HOME funds.

HCRI: Through a competitive grant process, locally based organizations throughout the state access HCRI funding to assist home buyers with closing cost and other financial assistance. For 1997-98, the state has the goal of assisting 400 home buyer households with HCRI.

Home Owner Assistance:

HCRI: Through a competitive grant process, locally based organizations throughout the state access HCRI funding to assist existing homeowners with utility arrears, property tax arrears, and well and septic repairs. For 1997-98, the state has the goal of assisting 370 owner households with HCRI.

LHOG: Home owner assistance under the LHOG program is wide ranging, from initiatives to develop senior ownership projects to home buyer counseling. LHOG has a goal of assisting 2,025 home owner and home buyer households in 1997-98.

- Adequate production of new units, including an adequate supply of accessible capital.

Summary of Households to be Assisted Under This Objective

Program	Rental Units	Owner Units	TOTAL
CDBG	0	20	20
HOME	135	10	145
TOTAL	135	30	165
LIHTC	1,500	-	1,500

DOH addresses this priority primarily through the HOME Program. The Low Income Housing Tax Credit, which the Wisconsin Housing and Economic Development Authority (WHEDA) administers, also addresses this priority.

CDBG: A small amount of new housing production occurs under the CDBG Program, including for site acquisition and development. DOH estimates that 20 new units will be created in 1997-98. CDBG regulations prohibit the use of CDBG funds for new construction.

HOME: DOH commits a portion of HOME program funds for new construction of rental properties and home buyer new construction. Applications from organizations may be reviewed on the basis of program category, preferences, project(s), need, feasibility, geographic area, strength of organization development team, project management, and compliance with HOME regulations. The likelihood that the project can be completed and sustained through the period of affordability will also be considered. For 1997-98, DOH estimates that 155 rental units and 10 ownership units will be created. Of the rental units, approximately 20 will be for households with disabled or frail elderly persons; these households are listed under the "Housing for Persons with Special Needs" objective.

LHOG: Organizations may apply for LHOG funds to support pre-development costs. Many of these projects are for disabled or frail elderly persons. This activity is described more extensively under the "Housing for Persons with Special Needs" objective.

Low Income Housing Tax Credit: WHEDA administers the tax credit. For 1997-98, WHEDA estimates that LIHTC will aid in the development of 1,500 affordable rental units.

- Preservation of existing units, including upgrading of substandard stock.

Summary of Households to be Assisted Under This Objective

Program	Rental Units	Owner Units	TOTAL
CDBG	50	500	550
HOME	110	255	365
Weatherization	620	1,050	1,670
Lead Paint	60	100	160
RERP RLF	80	-	80
CDBG Flood	0	10	10
TOTAL	920	1,915	2,835

Numerous DOH programs address the rehabilitation of existing units in order to improve energy efficiency, bring housing into code compliance, and preserve the quantity of low-income housing in the state. These rehabilitation programs include:

CDBG: Rehabilitation under the CDBG program focuses on major systems, such as roofs, electrical wiring, heating, plumbing, foundations, structural members, siding, doors and windows, and wells and septic systems. CDBG rehabilitation activities are expected to upgrade 50 rental units and 500 owner-occupied units in 1997-98.

HOME: DOH undertakes the rehabilitation of both rental and owner-occupied units with a portion of its HOME funding. Rental property owners may receive a low interest loan of up to 75% of the cost of repairs. Home owners may receive funds for making essential improvements at the same time that weatherization services are provided. Improvements must total a minimum of \$1,000 per unit and not exceed the maximum subsidy limit that HUD sets on a county-by-county basis. In the coming year, DOH anticipates that HOME funds will aid in the rehabilitation of 110 rental units and 255 owner-occupied units (both new home buyers and existing home owners).

Weatherization: The Weatherization program, using Department of Energy and Low Income Home Energy Assistance Program (LIHEAP) funds, anticipates assisting 620 renters and 1,050 homeowners with energy conservation improvements. Operating through 22 grantee agencies, Weatherization's assistance focuses on insulation of attics, walls and floors, repair or replacement of inefficient or inoperable furnaces, and water heater insulation. The average expenditure per household is approximately \$2,500.

Lead Based Paint Abatement: This program is supported through a HUD Lead-Based Paint Hazard Control Grant contract awarded in fiscal year 1993. The program provides for three levels of service: education and cleaning; lead hazard reduction; and extensive rehabilitation. Both owner- and renter-occupied housing units are eligible. Subcontracts with grantee communities are in effect until June 1998. For the 1997-98 program year, an estimated 60 rental and 100 owner units will be rehabilitated.

RERP: Twenty-one grantees, covering eight counties and sixteen cities, will use revolving loan funds from the state Rental Energy Rehabilitation Program. Participating owners of residential rental property are eligible to receive no or low interest loans of up to 50% of the eligible energy improvements. Funds must average at least \$600 per unit but not exceed \$5,000 per unit, and one property owner may not receive more than \$35,000. This program projects that 80 rental households will be assisted.

CDBG Flood: HUD funded this special program in federal fiscal years 1993 and 1994 in response to the massive flooding and other weather-related disasters in the Midwest. Selected communities and counties have received contracts for housing rehabilitation and acquisition of properties (damaged and at risk) in floodplains. Most of the

contracts for this program have been completed; others will be concluded by June 1997. In the remaining period, the program expects to acquire 10 housing units located in floodplains.

- **Housing for persons with special needs, including support services and integration into the housing mainstream.**

Summary of Households to be Assisted Under This Objective

Program	Homeless	Special Needs	TOTAL
CDBG	-	60	60
HOME	0	60	60
ESG & SSSG	17,850	-	17,850
HOPWA	-	615	615
HCRI	540	270	810
LHOG	495	50	545
Trans. Housing	525	-	525
PHHH	-	8	8
TOTAL	19,410	1,063	20,473

DOH provides many types of resources (both federal and state) for homeless persons and people with special needs. The following programs are used for homeless and special needs citizens:

CDBG: Units of local government may use CDBG funds for accessibility improvements in owner-occupied homes. DOH's CDBG program will assist an estimated 60 households with these improvements in 1997-98.

HOME: The HOME program allocates funds for moderate rehabilitation and accessibility improvements for low-income persons with disabilities. DOH distributes these funds among the Independent Living Centers (ILCs) and other agencies throughout Wisconsin. DOH anticipates aiding 40 owner-occupied households through these contracts in the coming year. In addition, as mentioned earlier, DOH expects 20 new or substantially rehabilitated rental housing units to be created for households with disabled or frail elderly members.

ESG and SSSG: The federal Emergency Shelter Grant program is used to improve the quality of emergency shelters, make additional shelters available, meet the costs of shelter operation, and provide prevention programs and essential social services to homeless individuals and families.

The State Shelter Subsidy Grant covers up to 50% of the operating costs of local homeless shelter programs. DOH distributes funds to units of local government and nonprofit organizations throughout the state on a formula basis. In 1997-98, ESG and SSSG combined will provide sheltering and prevention services for 17,850 homeless and at-risk households.

HOPWA: The Housing Opportunities for Persons with AIDS Program is designed to provide eligible applicants with resources and incentives to devise long-term comprehensive strategies for meeting the housing needs of persons with AIDS or related diseases and their families. Recipient organizations may use funds for a wide variety of housing assistance—such as support services, rent and utility assistance, security deposits, and housing counseling—aimed at preventing homelessness. An estimated 615 individuals will be aided in 1997-98.

HCRI: Organizations may apply for HCRI funds to assist homeless households with moving-in costs, such as first month's rent and security and utility deposits, as well as providing short-term rent subsidies. DOH estimates that its grantees will aid 540 homeless households with HCRI funds.

Organizations may also target HCRI funds to serving disabled persons for a variety of assistance needs. DOH estimates that its grantees will aid 270 households with a disabled member with HCRI funds.

LHOG: Organizations may apply for LHOG funds to provide counseling to the homeless. In 1997-98, DOH estimates that 495 homeless households will receive these services.

Organizations may also use LHOG to support pre-development costs. Generally, the developers produce these units for households with a disabled member. DOH estimates that LHOG will aid in the development of 50 new rental units.

Transitional Housing: This state grant program provides funds to assist families who are living in and graduating from transitional housing programs to aid them in accessing permanent housing, education, job training, and other services. DOH awards funds on a competitive basis to units of local government, nonprofit organizations, and housing authorities. In 1997-98, DOH expects to serve 525 households through its Transitional Housing grants.

PHHH: HUD awarded a five-year grant, beginning in fiscal year 1995, under the Permanent Housing for Handicapped Homeless program to Tellurian in Madison. At this time, Tellurian is the only PHHH project that DOH administers in the state. The grant covers operations, administration, and support services for 8 disabled residents.

- **Fairness and accessibility for all housing consumers, including enforcement and compliance with fair housing laws.**

Fair housing is a common purpose across all of the Division of Housing's programs. DOH views its role in achieving this goal as affirmatively creating opportunities for all households to live where they choose.

All DOH contracts contain nondiscrimination provisions. Applicants may seek to fund fair housing activities through the LHOG program. CDBG Housing applicants are awarded up to 4% of the total scoring points available based on fair housing activities conducted in the previous year and those proposed in the future. CDBG and HCRI require their grantees to conduct fair housing activities on a regular and ongoing basis. In addition, the Division also provides training in Fair Housing to its grantees.

The Division participates actively in the Wisconsin Fair Housing Network. This coalition of public agencies and private organizations is dedicated to the education and promotion of fair housing. The network's membership includes representatives from the Wisconsin Equal Rights Division in the Department of Workforce Development, the Department of Regulation and Licensing; HUD's Wisconsin Field Office, WHEDA, Wisconsin Realtors Association and local boards of Realtors, equal opportunity commissions, fair housing councils, community housing resources boards, landlord and apartment associations.

The Department of Workforce Development, through its Equal Rights Division, enforces the state's fair housing law, which prohibits discrimination in housing on the basis of sex, race, color, sexual orientation, disability, religion, national origin, marital status, familial status, lawful source of income, age or ancestry.

NON-HOUSING COMMUNITY DEVELOPMENT OBJECTIVES AND ACTIVITIES

CDBG Small Cities funds administered by the Department of Commerce (Commerce) are targeted to three major program areas: Public Facilities (PF), Public Facilities for Economic Development (PFED) and Economic Development (ED). The objectives and activities for these program areas during the 1997-98 program year (during which Federal Fiscal Year 1997 funds will be expended) are described below.

Public Facilities Program

The objective of Commerce's PF funds is as follows: Assist the state's non-entitlement local unit government in addressing their public infrastructure and facility needs. Activities funded through the Public Facilities program include water and sewer transmission and treatment needs, streets, parks, curbs, gutters, storm sewer and related components. Eligible activities may also include public buildings serving CDBG targeted populations such as community and senior centers, fire stations, activity and employment centers for developmentally disabled people. Other activities include handicapped accessibility improvements to ensure access to critical and needed public facilities and buildings by handicapped individuals.

The method of distribution for PF funds at the present time remains consistent with that described for last year's CDBG funds (see Administrative Rules, Appendix A, for details). Any changes Commerce may make in the administrative rules and the method of distribution within the rules will be subject to review and discussion in a public forum to be posted and made known to CDBG participants and interested parties.

Commerce, based on past experience, expects to receive requests for public facilities funds that far exceeds the amount of funds available for distribution. A continued high level of interest in CDBG grants is expected due to either stable or reduced funding in other federal and state infrastructure grant programs. As practiced for the past couple of years, Commerce expects to limit to the extent possible grant awards to approximately \$500,000 in order to maximize the number of applicants/projects receiving assistance. Through participation on an interagency funding resources committee, Commerce will coordinate its funding of a project with other funding sources (i.e. Wisconsin Department of Natural Resources, the state's Division of Housing, the federal Rural Economic and Community Development agency) and also help applicants identify alternative financing sources and methods to address the need.

The National Objectives that will be addressed in Commerce's use of 1997 PF funds will include the following:

- Benefiting people of low and moderate incomes
- Meeting urgent and local needs
- Removal of slum and blights.

Up to 75 percent of Commerce's CDBG allocation may spent in the Public Facilities program category. However, it is expected that an amount closer to 45-50 percent of the allocation will actually be used for the Public Facilities program, or about \$10 million.

The following table lists the proposed number of projects, funding goals and beneficiaries for specific Public Facilities activities receiving 1997 CDBG funds. These goals are based on past

experience since it is the applications (responding to program criteria based on public input) that largely determine the final distribution of funds.

PUBLIC FACILITIES Activity	Estimated Number of Awards	Estimated Amount to be awarded	Estimated Beneficiaries	
			Total	LMI
Public Facilities - Water/Sewer	24	\$7.5 million	14,000	9,800
Other Public Facilities*	12	\$2.5 million	9,000	6,300
Total Public Facilities	36	\$10 million	23,000	16,100

* Other Public Facilities includes community centers, library facilities, workshops, streets, bridges, removal of architectural barriers, incidental acquisition and relocation.

Emergency Grant Program

Commerce may use funds from its Public Facilities program to assist local governments in responding to urgent needs, particularly damaged public facilities needing immediate attention. Up to \$1 million annually may be used for emergency grant purposes. The need being assisted must have resulted from a natural disaster or other catastrophic event. The National Objective addressed through the Emergency Grant Program is typically the "Urgent and Local Need" objective.

Public Facilities For Economic Development

During the 1997-98 program year, Commerce's objectives and strategies for the PFED program will continue as implemented and redesigned during the last program year. The objective of the program is to assist local government in the financing of infrastructure that will allow for the expansion of employment opportunities for low and moderate income persons in the community and that also allows for increased tax base for the municipality. The strategies that will be continued with the program include holding applicants to no more than \$500,000 per application and to no more than \$10,000 per job created. The level of funding for projects will be based on business location (i.e. areas of high unemployment, location in a development zone), types of businesses, wages, fringe benefits and other related considerations. These considerations will enable Commerce to maximize the benefits of the program and enable more projects to be funded state-wide.

Funding for the PFED program will be available through Commerce's share of the state allocation of CDBG funds (up to 20 percent of the Department's allocation) and/or from the reuse of program income received from local units of government collecting repayments of CDBG economic development loans. Commerce projects that a total of \$4 million will be available for PFED projects during the 1997-98 program year.

Projects to be assisted with PFED funds include the installation or expansion of water and sewer to an expanding industrial park that has a firm commitment from a business to create or retain jobs, street improvements, increase of water storage capacity for sprinkler and fire protection services, and related projects that allow for economic opportunity in the form of jobs for area residents. In all assisted projects, Commerce requires local match dollars and new private investment that are at least equal to the PFED investment in the project. Although Commerce expects most projects assisted with PFED funds to meet the National Objective of benefiting low and moderate-income persons, economic development

projects involving the elimination of slum and blight and responding to urgent and local needs may also be assisted (i.e. brown-field development, demolition).

Program goals for the coming year are as follows:

PUBLIC FACILITIES FOR ECONOMIC DEVELOPMENT Activity:	Estimated Number of Awards	Estimated Amount to be awarded	Estimated Beneficiaries	
			Total	LMI
Public Facilities for Economic Development	10	\$4.75-7 million*	500	350

**Includes projected program income. Consistent with Commerce's past practice, CDBG program income is expected to be used first for PFED activities. Commerce estimates that it will use \$1-1.5 million from the FY'97 CDBG allocation for PFED.*

Economic Development Program

The CDBG Economic Development (ED) program is designed to assist businesses that are expanding operations within Wisconsin and are willing to make a commitment to create and/or retrain jobs. From an operational standpoint, Commerce awards the funds to a general purpose unit of government (community) which then loans the funds to a business. Subsequently, when the business repays the loan, the community may retain all or a portion of the funds repaid in order to capitalize a local revolving loan fund.

While up to 75 percent of the funds that Commerce administers could be allocated for the CDBG-ED program, the actual amount utilized in any given program year ranges from 35-50 percent of the Commerce's total allocation, or around \$8-10 million. From a historical perspective, Wisconsin was one of the first two states that began administering CDBG funds on a pilot basis in 1982. Since then, Commerce has awarded more than \$110 million under the CDBG-ED program to more than 300 businesses.

The impact that this program has had upon the economy of the State of Wisconsin cannot be understated. All CDBG-ED awards must meet one of three national objectives: removal of slum and blight; urgent local need; or low and moderate income (LMI) benefit. Traditionally, most CDBG-ED recipients have met the national objective by providing LMI benefits. In fact, since its inception, Wisconsin's CDBG-ED program has created or retained more than 11,450 jobs, at least 51 percent of which have been filled by or made available to LMI individuals.

With regard to CDBG-ED eligibility, Commerce can award up to 50 percent of eligible project costs, up to a maximum of \$1 million, provided that the amount of financial assistance on a per-job basis does not exceed \$20,000. In practice, Commerce endeavors to leverage as much private investment as possible. Consequently, based upon current practices, CDBG funds typically represent less than 15 percent of eligible project costs and less than \$6,500 per job.

When determining what level of investment is appropriate in any given project, Commerce considers the following:

- The risks associated with the proposed CDBG-ED loan, i.e. the project's viability (Character, Capacity, Capital, Collateral, Conditions).
- The number of jobs to be created or retained

- The number of jobs to be made available to low to moderate income persons (minimum of 51 percent required) and other targeted groups.
- The wages and benefits available to employees.
- Whether the project is located in a geographical area targeted for development by the Department, i.e. the extent of poverty, unemployment and other factors contributing to general economic hardship in the area.
- The benefit to or impact upon the community.
- The competitive effect of providing CDBG-ED funding on other businesses in the area.

These criteria were used for all CDBG-ED projects awarded since the last Update. A comparison of last year's projections with actual results is as follows:

CDBG-ED AWARDS
April 1, 1996 through March 31, 1997

Number of Awards	Amount Awarded	Beneficiaries		
		Total	LMI	
Projected	20	\$10 million	1,000	510
Actual as of 12/31/96	25	\$6.8 million	1,124	562

These results are indicative of Commerce's efforts to maximize the return for each dollar of CDBG-ED funds invested in a project. Although the actual results represent only 75 percent of the projected period, Commerce is exceeding expectations in all areas except amount awarded. Clearly, the programmatic changes implemented during the past year have been effective. Furthermore, based upon expressed levels of interest, Commerce fully expects to meet its 1996-97 projected award level of \$10 million.

In the coming year, Commerce expects to continue its evaluation and implementation of ways in which the CDBG-ED program can be enhanced to more fully reflect HUD's desire for a diversified base of beneficiaries. The goals for 1997-98 for the Economic Development Program are:

ECONOMIC DEVELOPMENT Activity	Estimated Number of Awards	Estimated Amount to be awarded	Estimated Beneficiaries	
			Total	LMI
Economic Development	25	\$10 million	1,300	660

Technical Assistance Program

Commerce will continue its CDBG Technical Assistance (TA) program with the use of up to one percent of its CDBG allocation. The objectives Commerce expects to achieve in providing CDBG Technical Assistance is the maximum utilization at the local level of CDBG funds, including repaid CDBG Economic Development loan funds, and maintaining program compliance, expanding program participation, and working with local officials in the greater leveraging of other resources in addressing local needs in the most cost effective and efficient manner. The strategies to be employed in meeting these objectives include the following:

- Continue the provision of technical assistance to revolving loan fund (RLF) administrators, particularly in the areas of financial record keeping, program design, loan application review, underwriting and processing, portfolio management and loan closing and documentation procedures.
- In collaboration with local RLF program administrators, help develop loan servicing systems specifically in designing tracking systems for loan repayments and the timely updating of security instruments.
- Counsel RLF administrators on issues related to the effective marketing of the RLF, networking with other lenders in the community, and establishing relationships with start-up enterprises, women-owned and/or minority businesses, and coordinating with other focused economic development initiatives such as enterprise and development zone programs.
- Assist CDBG grant administrators' understanding of CDBG reporting and compliance requirements, particularly in regarding to Section 3 requirements, affirmatively furthering fair housing, survey design and enhancing citizen participation practices.
- Provide one-on-one technical assistance to local officials needing help with CDBG program design and application preparation.
- Assist local officials in completing periodic and close-out program reports in a timely manner as well as in completing wage rate reports, environmental reviews and other forms that report on compliance issues.

Commerce technical assistance staff will accomplish these technical assistance initiatives through on-site visits and training seminars and workshops as well as through the preparation and distribution of guidance and instructional materials.

METHOD OF DISTRIBUTION

The table that follows covers the methods by which federal and state funds, including program income, will be distributed in 1997-98 in the state of Wisconsin.

FEDERAL RESOURCES—COMMUNITY PLANNING AND DEVELOPMENT PROGRAMS

Program/Subprogram	Method of Distribution
Community Development Block Grant (CDBG)	
<i>Housing</i>	annual request for proposals
<i>Public Facilities</i>	annual request for proposals
<i>Economic Development</i>	applications reviewed on continual basis
<i>Public Facilities for Economic Development</i>	applications reviewed on continual basis
Home Investment Partnership Program (HOME)*	
<i>Home Buyer Assistance</i>	annual request for proposals
<i>Owner Rehabilitation</i>	by formula through Weatherization contractors
<i>Owner Rehabilitation for Accessibility</i>	by formula through Independent Living Centers
<i>Rental Rehabilitation</i>	competitive proposals through limited set of municipalities and agencies with previous experience in rehabilitation
<i>Rental Housing Development</i>	competitive proposals, reviewed three times per year
Emergency Shelter Grants (ESG)	by formula to three regions of state, then competitive proposals within regions (see text for explanation)
Housing Opportunities for Persons with AIDS (HOPWA)	competitive request for proposals

**In addition, 15% of HOME funds are available to community based housing development organizations (CHDOs) for the purpose of providing affordable housing units for low income households.*

Following is additional information on each of the federal HUD programs.

Allocation of CDBG Resources—Housing

The Division of Housing does not pre-determine statewide amounts to be allocated in each eligible category (e.g., owner-occupied rehabilitation, renter-occupied rehabilitation, home buyer assistance, etc.). Instead, decisions on apportioning funds are left to the units of government who apply for CDBG assistance. It is up to the applicants to identify the housing needs within their communities, prioritize their needs, and develop balanced and appropriate strategies.

The Division of Housing scores applications for the CDBG Housing Program using a point system. This system is included in the application packet. The scoring areas and their associated maximum points for CDBG Housing funds that will be allocated in 1997-98 are:

Distress (80 points total—16% of overall points)	
Community Wide	15 points
<i>percent of housing units built prior to 1940</i>	4
<i>percent of households with incomes below \$20,000 in 1989</i>	4
<i>number of households with incomes below \$20,000 in 1989</i>	4
<i>aggregate housing cost as a percentage of income</i>	3
Program Area	65 points
<i>percent of low- and moderate-income (LMI) households in program area</i>	25
<i>percent of low-income households in program area</i>	10
<i>percent of LMI households in program area in substandard housing</i>	30
Proposal Narrative (300 points total—60% of overall points)	
Planning process narrative	45 points
<i>housing needs</i>	10
<i>other needs</i>	10
<i>needs identification</i>	5
<i>activity selection</i>	5
<i>low income benefit plan</i>	5
<i>program area/special project area selection</i>	10
Housing need and supporting data	55 points
<i>survey method narrative</i>	10
<i>survey data presentation</i>	10
<i>degree of substandard units</i>	25
<i>documentation of need for activities</i>	10
Program description and strategy narrative	130 points
<i>activities relate to identified needs</i>	10
<i>maps</i>	20
<i>marketability</i>	20
<i>program description</i>	60
<i>low income units committed</i>	20
Other resources	70 points
<i>as percentage of CDBG funds requested</i>	40
<i>number of other sources by amount committed</i>	30
Low and Moderate Income Benefit (20% of overall points)	100 points
Fair Housing (20 points total—4% of overall points)	
Efforts of past year	10 points
Proposed future projects	10 points

The CDBG Housing program will be considering an extensive revision of its scoring system during 1997-98. If DOH makes revisions, they will become effective for applications that will be considered for 1998-99 program year funding.

CDBG Housing grants may be a maximum of \$500,000. No more than 15% of an applicant's grant may be used for administrative costs.

Local units of government have an opportunity annually to offer input into the priorities of the CDBG Housing program and weighting of the scoring system. DOH sponsors an annual roundtable session, sending invitations to former and current recipients and applicants, consultants, and other interested parties throughout the non-entitlement areas of the state.

Allocation of CDBG Resources—Community Development

The Department of Commerce has primary responsibility for the administration of CDBG for non-housing community development activities which include public facilities and economic development projects and those projects that are a blend of community and economic development. Commerce expects to allocate its funds within the following parameters:

<i>Program Category</i>	<i>Percentage of Allocation</i>	<i>Projected Total Awards (range)</i>	<i>Estimated Total Awards Using FY'97 CDBG*</i>
Public Facilities	Up to 75%	\$10-17.5 million	\$10-11 million
Public Facilities for Economic Development	Up to 20%	\$5-7 million	\$1-1.5 million
Economic Development	Up to 75%	\$10-17.5 million	\$12-13 million
Technical Assistance	Up to 1%	\$130,000	\$130,000

**based on prior funding experience*

Commerce's CDBG administrative rules provide for the shift of "up to 75 percent" of the funds to either PF or ED. This option allows the Department to shift funds to either area, depending on program demand and the specific goals and objectives of the Department.

The grant size limits for each of the program areas are as follows:

<i>Program Category</i>	<i>Maximum Grant</i>
Public Facilities	\$750,000
Public Facilities for Economic Development	\$500,000
Economic Development	\$1,000,000

Commerce will continue to employ a "pre-application" process with the PF program to provide counsel and guidance to applicants before expending time and money preparing a final application. Both the PFED and ED programs will continue to employ a "pre-application" form and meeting for counsel and guidance purposes.

Commerce's CDBG administrative rules guide the method of distribution for its funds. These rules are attached to this update as Appendix A. The rules remain unchanged from last year. An advisory committee for the PF program was notified that the anticipated changes for the PF program discussed at earlier meetings were placed on "hold". The committee will be consulted should any proposals to change the program be promulgated.

Allocation of HOME Resources

The Division of Housing annually reviews the allocation of HOME funds. Priorities for the allocations are guided by the Consolidated Plan.

In the allocation of HOME funding in past years, the Division sought to achieve rough equivalence between rental and ownership activities. For example, DOH divided the fiscal year 1996 funds that were available for projects into 49% for renter-occupied activities, 51% for owner-occupied ones. In 1997-98, DOH will be evaluating its Rental Housing Development program. The Division will be consulting with Rural Housing Service and WHEDA on the development of rental units in rural areas, and will be

exploring new avenues of development, such as single-room occupancy units. Thus, for this fiscal year allocation, owner-occupied projects are slated to receive 55% of project funds versus 45% for rental projects.

Allocation of ESG Resources

The Division of Housing will distribute FY'97 Emergency Shelter Grant funds on a formula basis among three groupings of counties: Milwaukee Metro counties, "Other Metro" counties, and "balance of state"⁴. (Three cities in Wisconsin—Milwaukee, Madison, and Racine—also receive direct HUD ESG allocations.) DOH developed this formula using six indicators of the potential risk of homelessness. The indicators draw upon data from the 1990 Census and state-operated programs for each grouping of counties. They include: the number of renter households at 0-30% of median family income with housing costs exceeding 50% of their incomes; unemployed labor force and AFDC caseloads. The percentages for the three groupings for the distribution of FY'97 funds are:

- 41% Milwaukee Metro counties
- 34% "Other Metro" counties
- 25% balance of state

Within each of these three areas, DOH will make its ESG allocation available through a competitive request for proposals. Applications for FY'97 funds due to the Division of Housing by March 17, 1997.

Allocation of HOPWA Resources

For its first two years of operating HOPWA in Wisconsin (using federal FY'95 and FY'96 authorizations), the Division of Housing chose to allocate funding through the existing AIDS service organizations (ASOs). Employing this existing network ensured full coverage of the state without the potential for duplication. DOH awarded grants through the same formula that is used for Ryan White Title III funds.

For FY'97 funding, DOH will make its HOPWA allocation available through a competitive request for proposals. This process will begin in the second quarter of the calendar year. Multi-year contracts will begin September 1, 1997.

DOH's decisions on the award of new HOPWA contracts and the allocation of funds will take into consideration the distribution of individuals who have HIV infections and AIDS throughout the state, as reported to the Centers for Disease Control.

FEDERAL RESOURCES—OTHER (NON-CPD) PROGRAMS

Program	Method of Distribution
Weatherization (Dept. of Energy & LIHEAP)	by formula
Lead-Based Paint Hazard Control	to be determined

⁴ See the introduction to the "Geographic Distribution" section for the counties within each of these groupings.

STATE RESOURCES

Program	Method of Distribution
Housing Cost Reduction Initiative (HCRI)	annual request for proposals
Local Housing Organization Grants (LHOG)	annual request for proposals
State Shelter Subsidy Grant (SSSG)	annual request for proposals
Transitional Housing Grant (TH)	bi-annual request for proposals
Rental Energy Rehabilitation Program (RERP)	proposal process for selected communities (see Geographic Distribution section for list)

GEOGRAPHIC DISTRIBUTION

This section describes any geographic limitations that apply to particular federal and state programs. In addition, we detail the reasons for restrictions or requirements for the geographic distribution of resources.

Several housing programs apportion funds to "Metro Milwaukee" counties, "Other Metro" counties, and "Balance of State" (non-metropolitan) counties. The counties within each of these groupings are:

Grouping	Counties
Metro Milwaukee	Milwaukee, Ozaukee, Washington, Waukesha
Other Metro	Brown, Calumet, Chippewa, Dane, Douglas, Eau Claire, Kenosha, La Crosse, Marathon, Outagamie, Racine, Rock, St. Croix, Sheboygan, Winnebago
Balance of State	Adams, Ashland, Barron, Bayfield, Buffalo, Burnett, Clark, Columbia, Crawford, Dodge, Door, Dunn, Florence, Fond du Lac, Forest, Grant, Green, Green Lake, Iowa, Iron, Jackson, Jefferson, Juneau, Kauaunee, Lafayette, Langlade, Lincoln, Manitowish, Marinette, Marquette, Menominee, Monroe, Oneida, Pepin, Pierce, Polk, Portage, Price, Richland, Rusk, Sauk, Sawyer, Shawano, Taylor, Trempealeau, Vernon, Vilas, Walworth, Washburn, Waupaca, Waushara, Wood

FEDERAL RESOURCES—COMMUNITY PLANNING AND DEVELOPMENT PROGRAMS

Community Development Block Grant (CDBG)

State CDBG funds are not awarded in entitlement communities, which receive CDBG funds from HUD directly. The communities that are excluded are: the cities of Appleton, Beloit, Eau Claire, Green Bay, Janesville, Kenosha, La Crosse, Madison, Milwaukee, Neenah, Oshkosh, Racine, Sheboygan, Superior, Waukesha, Wausau, Wauwatosa, West Allis; the counties of Milwaukee, Waukesha.

The State does not use a geographic distribution plan for CDBG, as both the Division of Housing and the Department of Commerce distribute funding through competitive processes.

Home Investment Partnership Program (HOME)

State HOME funds are not awarded in Participating Jurisdictions, which receive HOME funds from HUD directly. The communities that are excluded are: the cities of Eau Claire, Green Bay, La Crosse, Kenosha, Madison, Milwaukee, Racine; and a Milwaukee County consortium.

Rental rehabilitation funds will be distributed only to selected communities with prior rehabilitation experience. Currently, these are: the cities of Appleton, Fond du Lac, Janesville, Kaukauna, Oshkosh, Waukesha, Wausau; the counties of Crawford, Dane, Douglas, Green, La Crosse, Monroe, Portage, Price, Vernon, Richland, Walworth, Waukesha.

Through the HOME Weatherization program and the HOME grantees that operate the accessibility programs, DOH achieves virtually state-wide coverage. Furthermore, while HOME Rental Housing Development and Homebuyer programs are awarded competitively, DOH factors the location of projects into the award process.

Emergency Shelter Grants (ESG)

In addition to the allocation that the Division of Housing receives, three cities receive ESG funds from HUD directly: Madison, Milwaukee, and Racine. As mentioned in the previous section, the Division of Housing will distribute its Emergency Shelter Grant funds on a formula basis to the three county groupings. DOH developed this formula using six indicators of the potential risk of homelessness. The percentages for the 1997-98 program year are: 41% Milwaukee Metro, 34% Other Metro, and 25% Balance of State.

Housing Opportunities for Persons with AIDS (HOPWA)

Even though the Division of Housing is adopting a competitive request for proposals as its method for distributing FY'97 HOPWA funds, it will ensure through its RFP process that full geographic coverage of the State will occur. (Because Pierce and St. Croix counties are part of the Minneapolis/St. Paul metropolitan statistical area, they will be served through the Minnesota formula grant.)

FEDERAL RESOURCES—OTHER (NON-CPD) PROGRAMS

Weatherization (Dept. of Energy & LIHEAP funding)

The Division of Housing will distribute Weatherization assistance to grantees based on a formula using variables such as number of households in poverty. Weatherization grants cover the State fully.

Lead-Based Paint Hazard Control

As mentioned in the "New Resources" section at the beginning of this Update, DOH and HUD are involved currently in negotiating the terms of the Lead-Based Paint Hazard Control contract because the amount that HUD awarded was only about one-half of DOH's original request. DOH intends to target resources to areas of greatest need (based on statistics collected by the Bureau of Public Health on lead-poisoned children) but also wants to maintain a pool of funds to address critical situations in other parts in the State.

STATE RESOURCES

Housing Cost Reduction Initiative (HCRI)

DOH apportions HCRI funds approximately in thirds to the four Metro Milwaukee counties, the 15 Other Metro counties, and the 53 counties in the Balance of State. This allocation arrangement is based on state statutes.

Local Housing Organization Grants (LHOG)

DOH apportions LHOG funds approximately in thirds to the four Metro Milwaukee counties, the 15 Other Metro counties, and the 53 counties in the Balance of State. This allocation arrangement is based on state statutes.

State Shelter Subsidy Grant (SSSG)

DOH allocates SSSG funds by a formula that is based on actual shelter use and that is adjusted annually. The 1997-98 formula is: 34% to Milwaukee County, 28% to Dane County, and 38% to the remainder of the state.

Transitional Housing Grant (TH)

DOH apportions TH funds approximately in thirds to the four Metro Milwaukee counties, the 15 Other Metro counties, and the 53 counties in the Balance of State.

Rental Energy Rehabilitation Program (RERP)

DOH makes available the revolving funds of RERP to selected communities with prior rehabilitation experience. The communities that are currently eligible to use RERP funding are: the cities of Appleton, Beloit, Dodgeville, Fond du Lac, Green Bay, Janesville, Kaukauna, Kenosha, Milwaukee, Oshkosh, Rice Lake, Richland Center, Sheboygan, Waukesha, Wausau, West Allis; the counties of Brown, Crawford, Dane, Green, La Crosse, Monroe, Richland, Vernon, Waukesha.

HOMELESS AND OTHER SPECIAL NEEDS

The State continues to view homelessness as a top housing priority. We will work to maintain and to expand the continuum of housing programs for individual and families, seek additional funding to fill gaps in services, broaden successful and effective prevention and intervention programs, and work with private sector entities to address the root causes of homelessness.

Specifically, the State's strategy will consist of:

- a core emergency program to meet the immediate shelter needs of persons who are homeless;
- a broader transitional housing program for families and for persons with special needs; and
- housing programs that provide rental and home buyer assistance for more permanent alternatives, with an emphasis on the development of Single Room Occupancy (SRO) alternatives.

In addition, the State considers homelessness prevention to be critical and will continue to place priority on this goal through its housing programs. Under Emergency Shelter Grant regulations, the Division of Housing will fund prevention activities to the maximum extent permitted (that is, up to 30% of the ESG funding). In addition, DOH will request a waiver to increase the funds available from its FY'97 allocation for essential services (that is, those concerned with employment, physical health, mental health, substance abuse, education, or food) to up to 40% of aggregate funding.

In the coming year, using the State Shelter Subsidy Grants program as the medium, the Division of Housing's Homeless Programs staff will undertake a number of initiatives to strengthen the provision of homelessness services:

- encourage participating organizations to coordinate shelter and voucher programs within their communities;
- provide training and technical assistance to shelter providers that will help them develop continuum of care models in communities with multiple resources;
- encourage resource development and agency coordination in the rural areas of Wisconsin that have fewer long term resources available.

For persons with special needs who are not homeless, the Division of Housing will continue to offer a broad array of programs to assist with their needs. Programs include:

- Rehabilitation Accessibility for Homeowners (RAH): DOH allocates a portion of HOME Program funds to the statewide network of Independent Living Centers, which provide accessibility modifications and other needed repairs for low income persons with disabilities in owner-occupied dwellings.
- Rental Housing Development (RHD): Using this program, which is also funded through HOME, nonprofit organizations (including the network of CHDOs) and municipalities may develop handicapped-accessible rental units.
- Community Development Block Grant: Units of local government may apply for funds in order to offer loans to low- and moderate-income households with a disabled member to make accessibility improvements.
- Housing Opportunities for Persons with AIDS: All of the services under this program are oriented toward preventing people with AIDS and their families from becoming homeless.

- Housing Cost Reduction Initiative: Grantees assist households with disabled members with emergency rent assistance or down payment and closing cost assistance.
- Local Housing Organization Grants: Grantees use these funds toward developing housing for disabled persons and for counseling disabled renters and home owners.

OTHER ACTIONS

Addressing Obstacles to Meeting Underserved Needs

As the State's housing agency, the Division of Housing provides general information, detailed research and professional guidance on housing issues and programs to the Administration and Legislature, as well as to a wide range of individuals and organizations across Wisconsin, including current grantees. The Division conducts extensive outreach efforts, both formal and informal, analyzes current housing trends and programs, and develops housing initiatives to address gaps in Wisconsin's affordable housing stock.

DOH received a three-year HUD grant for Consolidated Technical Assistance for Community Development and Planning Programs in FY 95. This grant supports training efforts in the areas of supportive housing and the HOME program. The Division has planned the following activities during 1997-98:

Date	Program Area	Focus
April 1997	Supportive	Technical Assistance Workshop on Grantwriting for Supportive Housing (SHP) Funds NRC Training Scholarship for Chicago Institute
	HOME	Rental Rehabilitation Program Roundtable
May 1997	Supportive	On-site Technical Assistance
June 1997	HOME	HOME HCRI Implementation Training
July & August 1997	Supportive	On-site Technical Assistance
	HOME	Affordable Housing Preservation Conference Rental Compliance Training Real Estate Law
September 1997	Supportive	Strategic Planning Workshop
December 1997	Supportive	Video Conference on Effective Transitional Housing Management
March 1998	Supportive	On-site Technical Assistance

DOH conducts many other training sessions, supported through other Federal and State programs, and will continue these activities in 1997-98. Examples range from grantsmanship to hands-on assistance in a variety of areas, such as weatherization techniques, lead-based paint abatement and affordable housing finance and development issues.

As mentioned in the section on homelessness and special needs, the Homeless Programs staff will be undertaking a number of initiatives to strengthen the provision of homelessness services. All of these efforts (coordinating shelter and voucher programs within communities, developing continuum of care models, and encouraging resource development and agency coordination in the rural areas) are focused on increasing efficiency in the use of current resources so that additional households can be served.

Through the state-funded LHOG program, the Division will offer scholarships to enable the staff of local housing organizations to attend and participate in educational seminars and conferences.

DOH also provides statistical support to applicants through its Housing Information Service. This service provides data from the most recent U.S. Census and other sources. DOH will continue through 1997-98 to refine its housing data systems, including improved systems to interpret the geographic distribution of its assistance.

The Department of Commerce, in response to increasing applications for Public Facilities grants, is reducing the maximum award amount and will provide technical assistance to applicant communities to locate other revenue sources. Furthermore, in response to similar increasing demands for the Public Facilities for Economic Development grants, Commerce will allocate up to 20 percent of its CDBG funding to supplement its program income. Its technical assistance program, assisted by a special grant, will improve grantees' efficiency in administering revolving loan funds and general CDBG assistance. All of these efforts will allow Commerce to address the needs of more communities.

Fostering and Maintaining Affordable Housing through the Low Income Housing Tax Credit Program

The Division of Housing works closely with the Wisconsin Housing and Economic Development Authority (WHEDA), the administrator of the Low Income Housing Tax Credits, to assure coordination in the development of affordable housing. Members of WHEDA's staff are on the review team for DOH's Rental Housing Development (RHD) program. In the coming year, RHD will pledge a percentage of its funds to be used in conjunction with Tax Credit projects. Finally, DOH's administrator sits on WHEDA's Housing Committee, assuring overall program coordination between the two offices.

Removing Barriers to Affordable Housing

During the 1995-96 program year, the State Legislature enacted the Housing Affordability Impact Note Act. This legislation requires that housing affordability impacts be objectively estimated and considered when introducing or amending legislation or administrative rules. The 1997-98 program year will be the first when the Division of Housing will be producing these impact statements.

Evaluating and Reducing Lead Based Paint Hazards

As noted earlier in this Update, DOH is administering a HUD lead paint hazard reduction grant for thirteen Wisconsin communities. Subcontracts with these local governments will operate through June 1998. In the latter half of 1998, the Division of Health in the Department of Health and Family Services will summarize the results of this demonstration grant; the summary will assist people and organizations nation-wide that are involved in housing rehabilitation to design affordable and effective lead hazard reduction methods.

The State of Wisconsin has received a new lead paint hazard reduction award of \$1,573,200 for a three-year period. As with the earlier grant, this one will be a cooperative project with the Division of Health in the Department of Health and Family Services. The new grant will focus on supporting hazard control work in private, low-income housing as well as education and outreach programs.

Reducing the Number of Poverty Level Families

Over the past few years, the Division of Housing has observed that an increasing number of its grantees are requiring their recipient households, as a condition of assistance, to become as self-sufficient as possible. In fact, the scoring systems for several state programs' applications encourage the development of self-sufficiency components within an applicant's program design. DOH staff discuss self-sufficiency models at applicant orientation and grantee implementation meetings. Through these

efforts, the Division seeks not only to stabilize households in crisis but also to reduce households' dependence on public assistance and to begin developing pathways out of poverty.

A major element in the State's anti-poverty strategy is economic development with the associated increase in and maintenance of employment. The State's CDBG Economic Development Program requires that the majority of those persons hired in connection with its financial support are low- to moderate-income persons. The Department of Commerce encourages businesses receiving CDBG funding to hire through Jobs Training Partnership Act programs. Furthermore, the Wisconsin Job Service provides a large employment service, and the Wisconsin Vocational and Technical Education System is considered to be the best in the nation.

The Governor's Rural Development Coordinating Council has pointed out that poverty rates are 55 percent higher in non-metropolitan areas. It proposed a multi-faceted strategy that included, in addition to agricultural and educational programs, initiatives in community preparedness, information outreach to financial institutions, funding of business incubators, and funding of infrastructure improvements. The Department of Commerce has been and will continue to be active in all of these areas.

Developing Institutional Structure

The Division of Housing has created many of its HOME subprograms to complement existing networks of service providers. For example, DOH conveys HOME weatherization assistance through the Department of Energy- and LIHEAP-funded Weatherization grantees. Funding for accessibility improvements for disabled home owners is channeled through Independent Living Centers. In addition, by setting aside 15 percent of state HOME funding every year for community housing development organizations (CHDOs), DOH has committed itself to the long-term development of stable nonprofit housing developers throughout the entire state. DOH will continue to use these strategies in 1997-98.

The state-funded Local Housing Organization Grants (LHOG) program further supports the ability of nonprofit developers to build capacity and develop long-term housing solutions.

Finally, the numerous technical assistance initiatives that are mentioned above will continue to improve the state's system of delivering housing assistance.

The Department of Commerce has determined that an adequate institutional structure is in place for its Public Facilities and Economic Development programs. As with the Division of Housing, the Department of Commerce's training and technical assistance initiatives will continue to strengthen local governments' abilities to carry out its programs.

Enhancing Coordination Between Public Agencies and the Public and Private Sectors

The Division of Housing will continue its work in 1997-98 with a wide array of other state agencies. In addition to the connections with WHEDA mentioned earlier, DOH staff members will work with these other agencies and councils of state and federal government:

- Governor's Mental Health Council (interagency forum that includes housing needs of mentally ill persons)
- Special Legislative Committee on Lead Poisoning Prevention and Control
- Department of Natural Resources (septic and well issues in rural areas)

- Department of Health and Family Services (transitional and permanent housing for the physically and mentally disabled and the elderly; lead-based paint program and lead hazards)
- University of Wisconsin-Extension (development of standard tenant/landlord counselors' training and services; evaluation of state-funded Transitional Housing program)
- Department of Commerce (building code review, mobile home regulations, home energy ratings, relocation)
- Department of Workforce Development (W-2, the State's welfare reform initiative)
- Rural Housing Service (leveraging of resources, planning coordination)

DOH staff members will participate in the following coalitions of public- and private-sector housing industry organizations:

- Wisconsin Senior Housing Coordinating Group (assisted living, recent legislative changes affecting the elderly, and related issues; includes representatives from American Association of Retired Persons; Bureau on Aging, Department of Health and Family Services; Coalition of Wisconsin Aging Groups; Foundation for Rural Housing; University of Wisconsin-Extension; WHEDA)
- Wisconsin Affordable Housing Preservation Work Group (information-sharing and training issues; includes representatives from Legal Action of Wisconsin; HUD's Wisconsin Field Office; Wisconsin Association of Housing Authorities; Wisconsin Community Action Program Association; Wisconsin Partnership for Housing Development; WHEDA; other non-profit housing organizations; local governments)
- Wisconsin Fair Housing Network (education and promotion of fair housing; includes representatives from the Wisconsin Equal Rights Division, Dept. of Workforce Development; Dept. of Regulation and Licensing; HUD's Wisconsin Field Office; WHEDA; Wisconsin Realtors Association; local boards of Realtors, equal opportunity commissions, fair housing councils, community housing resources boards, landlord and apartment associations)
- Low-Income Energy Policy Advisory Committee (includes representatives from Dept. of Administration's Energy Bureau, Wisconsin Public Service Commission, Governor's Committee for Persons with Disabilities, local program operators, non-profit associations and coalitions, utilities, aging groups)
- Governor's Interagency Homeless Council (which will be expanded in 1997-98 to match anticipated HUD Continuum of Care guidelines)
- Home Performance Advisory Board (developing marketing strategies and outreach for energy-efficient mortgages; includes representatives from Dept. of Administration's Energy Bureau, Realtors, lenders, contractors and non-profit agencies)

In addition to these coalitions, DOH representatives will meet with builders' associations and regional housing provider groups to discuss barriers to affordable housing. A number of grantees around the state also carry out local coordinating activities with private sector developers and mortgagees.

The Department of Commerce, in its administration of the CDBG program, has sought program input at its information and application training sessions held throughout the state. Commerce also coordinates with the Division of Housing and a funding resources work group which includes representatives from the state's Departments of Natural Resources, Veterans Affairs, Workforce Development, and the Board of Commissioners of Public Lands, the Foundation for Rural Housing, the Rural Water Association, Rural Housing Services and WHEDA. This work group, or members of it, are most often consulted when Commerce is considering funding of water and sewer projects in the PF program. With regard to ED,

Commerce coordinates continually with other funding sources in order to leverage as much non-CDBG investment as is reasonably possible. For example, in calendar year 1996, the rate was \$6 of non-CDBG investment for each \$1 of CDBG-ED funds. This practice allows the Department to maximize the benefit provided to persons of low and moderate income.

The recent merger of the Department of Development (Commerce's predecessor) and the state's Division of Safety and Buildings (formerly with the Department of Industry, Labor and Human Relations, now known as Workforce Development) will enable greater coordination of Commerce's CDBG resources with those regulatory provisions that govern code compliance and inspection. As demonstrated during the past year, the merger of the Department and Division, will enable more efficient implementation of assisted projects thereby helping subrecipients accomplish their CDBG program goals more efficiently and effectively, particularly in regard to projects involving new building construction.

Another major recent event that will substantially contribute to more efficient implementation of CDBG projects is the transfer of the state's Relocation Office to the Department of Commerce. The administration of state and federal acquisition and relocation laws out of one department will better serve the program's customers. It will reduce duplicative paperwork, plan review and approval times, and the number of agencies and state administrative personnel a local official needs to contact and seek approvals from before implementing a project.

MONITORING

Department of Commerce

The Department of Commerce's practice is to monitor each subrecipient at least once during the term of its contract. The monitoring visit serves purposes that extend beyond verifying compliance with CDBG contract terms and conditions as well as compliance with the program's governing federal and state regulations. Following are Department policies and practices in regard to CDBG monitoring.

- A. Monitoring is scheduled with the subrecipients and they are notified of the records and files to be examined.
- B. Combined with the monitoring visit may be a project site visit to verify data and information found in the files and to become more familiar with project impacts.
- C. Department program representatives schedule and conduct the monitoring for projects assigned to them. Typically the representatives were also involved in drafting the CDBG contract and therefore are most familiar with the subrecipient and the project.
- D. Department management attempts to minimize the number of different CDBG program representatives assigned to a community to prevent confusion for local officials.
- E. Program representatives may also involve the expertise of CDBG compliance specialists (i.e. Davis-Bacon, Environmental Reviews, Acquisition and Relocation, Equal Opportunity) either during the visit or as part of the follow-up to a visit.
- F. Letters summarizing the monitoring visit are sent to the subrecipients within 30 days of the visit. If the letters require a response, the responses are tracked and closure letters are sent when findings are adequately addressed.
- G. Monitoring correspondence is maintained in the project files in Commerce and at the local level.
- H. When monitoring, the program representative will provide limited technical assistance to help correct problems, provide guidance in addressing difficult situations as well as recommending actions that achieve greater efficiencies and effectiveness. When technical assistance needs are greater than what the representative can provide in regard to time and expertise, the Department's technical assistance staff will be consulted and asked to assist the subrecipient.
- I. The overall philosophy of a monitoring visit by program representatives is to work with and assist the subrecipient in the implementation and close-out of the assisted project. In this regard, Department staff will attempt to successfully address deficiencies during a visit.

Division of Housing

The Division of Housing follows these policies and guidelines in monitoring grantees, whether the contracts are federal or state.

- A. Monitoring and evaluation of recipients of our funds is a requirement of our funding sources. It also is one of the best ways to ensure effective program administration to maximize the benefit to persons in need of housing assistance.
- B. Monitoring of local programs is the responsibility of all staff members, and monitoring should be an ongoing activity.
- C. Monitoring can be carried out in a variety of formal and informal ways and methods. These include on-site reviews; desk reviews of performance reports; financial audits; other verbal and written exchanges with the Grantee; conversations with Grantee, clients, and fellow funders of the Grantee; etc.

- D. An on-site field monitoring visit should be conducted of each funding recipient at least once during the contract. Certain considerations (such as Grantee performance, reporting and audit deficiencies, personnel turnover, etc.) may require more frequent monitoring.
- E. Every attempt should be made to provide notice (preferably written) at least 14 days in advance of the scheduled visit. Send a copy of the correspondence or schedule to the Director, Bureau of Program Development & Management (BPDM).
- F. On-site monitoring visits should be coordinated, where possible, for Grantees administering more than one DOH program. The scope of the on-site monitoring review should be as comprehensive as possible, taking into consideration all applicable contractual, program, and state and federal requirements.
- G. Every attempt should be made to complete and mail out a follow-up monitoring letter no later than 30 days from the date of the visit. It is very important to inform Grantees of the result of the monitoring as soon as possible. A copy of this letter should be sent to the BPDM Director, who will be responsible for alerting other applicable program staff of potential problems. HOME Program letters should be forwarded to the master monitoring letter file.
- H. If concerns, deficiencies, or findings are identified, the Grantee should be asked to take steps to resolve these and respond by letter within 45-60 days. For HQS [Housing Quality Standards] project deficiencies identified, a rework letter should be issued as soon as possible (even prior to the formal monitoring letter) to inform grantees of the project items that need to be corrected. Timely issuance of this letter to stimulate correction of health or safety hazards and to take advantage of the six month project funding windows is important. Appropriate follow up as well as an acknowledgment letter should be provided on a timely basis. This correspondence should be noted as outlined in G. above.
- I. All monitoring materials, correspondence, etc. should be included in the Grantee's official file located at DOH.

SPECIFIC SUBMISSION REQUIREMENTS FOR CDBG AND HOME

CDBG PROGRAM

Section 108 Loan Guarantee Program

Under the guidelines for the CDBG program, states have the option of aiding non-entitlement units of local government in applying for guaranteed loan funds. The State of Wisconsin, in both its administration of Community Development and Housing programs, has chosen to not use the Section 108 Loan Guarantee Program.

Procurement Standards

The State of Wisconsin's procurement standards meet or exceed the common rule. With regard to the CDBG program, local units of government are expected to follow formal procurement procedures as established by their governing boards.

Community Revitalization Strategy

On October 22, 1996, HUD published an interim rule in the Federal Register concerning the CDBG Program for States. Among the many changes in this rule is an amendment that permits States to implement Community Revitalization Strategies. Already an option for CDBG entitlement communities (called "neighborhood revitalization strategies"), this similar regulation allows states to focus CDBG resources in communities or regions that have high poverty rates, high percentages of low- and moderate-income residents, or have been designated as Empowerment Zones or Enterprise Communities by HUD. In return, the State (and, in turn, the local community) may carry out activities that have a beneficial effect for the entire strategy area and do not require the usual focus on specific low/moderate income household benefit.

The State of Wisconsin has chosen to not exercise the option to establish Community Revitalization Strategies for 1997-98. The Department of Commerce and Division of Housing will continue to discuss the possibility of creating these strategies during the coming year.

Definitions of Housing in "Standard Condition" and "Substandard Condition Suitable for Rehabilitation"

On October 3, 1996, HUD published a final rule in the Federal Register concerning displacement of occupants, relocation assistance, and real property acquisition for HUD and HUD-assisted programs. In the rule, HUD required recipients of CDBG and HOME funds to define "standard condition" and "substandard condition suitable for rehabilitation." The two programs use differing definitions.

Wisconsin's CDBG Small Cities Housing program uses HUD's Housing Quality Standards (HQS) as its definition of "standard condition." The State's expectation is that, when local governments approve a loan for the rehabilitation of an LMI unit, the repairs will bring the unit up to HQS.

Under CDBG guidelines, a unit in "substandard condition" is one that needs major repairs and/or replacement for three or more major structural components (roof, electrical, heating, plumbing, foundation/structure, siding, doors/windows, well/septic). In making the distinction of whether a substandard unit is "suitable for rehabilitation" or not, local governments are required to assess two principal concerns: (1) Would the unit, even with repairs, present major continuing health and safety problems for the occupants? and (2) Would the after-rehabilitation equity in the property be grossly inadequate to cover the loan amount? If local authorities' assessment found either of these two situations to be true, the property would be deemed unsuitable for rehabilitation.

HOME PROGRAM

Resale Provisions

The State's guidelines concerning resale shall be as allowed by HOME program rules and regulations (CFR 92.254(5)). If, within the HUD restricted affordability period, a home buyer property is either sold, transferred or ceases to be the owner's principal place of residence, the state HOME program will require that its funds will be repaid. In the instance of a sale of the property, the state will recapture—subordinate to a first mortgage—its assistance on a pro-rated basis from any proceeds of the sale. If the net proceeds of the sale were not sufficient to recapture 100% of the HOME assistance, the State will recapture any proceeds available. If there were no proceeds from the sale to recapture, the State will forgive its HOME assistance.

Tenant-Based Rental Assistance

The State may disburse HOME funds to public housing authorities or other entities with prior rent assistance experience for tenant-based rent assistance and security deposits. Time periods of assistance will be up to the maximum HUD allows.

The State may also provide funds for households that are affected by HOME-funded construction and substantial and moderate rehabilitation projects. Local housing authorities and other entities receiving funds for this purpose can assist eligible families currently residing in units that are designated for rehabilitation under the HOME program without requiring them to be placed on a housing authority waiting list. DOH may require the family to use the tenant-based assistance within certain jurisdictions or may permit the family to use the assistance outside this area.

Other Forms of Investment

All forms of investment that the State may use in providing HOME assistance are included under HOME regulations. These forms of investment are:

Equity Investments	Interest Bearing Loans or Advances
Non-Interest Bearing Loans or Advances	Interest Subsidies
Deferred Payment Loans	Deferred Grants
Interest Rate Buy Down	Diminishing Subsidy Loans
Grant	Loan Guarantees
Refinancing (multi-family housing only) (NOTE: new for 1997-98)	

Definitions of Housing in "Standard Condition" and "Substandard Condition Suitable for Rehabilitation"

On October 3, 1996, HUD published a final rule in the Federal Register concerning displacement of occupants, relocation assistance, and real property acquisition for HUD and HUD-assisted programs. In the rule, HUD required recipients of CDBG and HOME funds to define "standard condition" and "substandard condition suitable for rehabilitation." The two programs use differing definitions.

The State of Wisconsin's HOME program uses HUD's Housing Quality Standards (HQS) as its benchmark for "standard condition." Currently, the Division of Housing is reviewing the alternative standards that HUD is permitting HOME participating jurisdictions to adopt. These options, cited in the HOME final rule that was published on September 16, 1996, are the ICBO Uniform Building Code, BOCA National Building Code, SBCCI Standard Building Code, CABO one- or two-family code, and HUD Minimum Property Standards.

Affirmative Marketing

The State has established the following affirmative marketing policies and procedures that HOME grantees must adopt. These policies and procedures are based upon the Code of Federal Regulations (CFR), specifically 24 CFR 92.351.

A. Affirmative Marketing Policy

1. Potential tenants from all racial, ethnic, and gender groups in the housing market area must be informed about available vacant units;
2. In particular, persons in the housing market area who are not likely to apply for HOME-assisted housing without special outreach efforts must be informed about these units

B. Affirmative Marketing Procedures

In accordance with HOME regulations at 24 CFR 92.351(a) and in furtherance of Wisconsin's commitment to nondiscrimination and equal opportunity in housing, the State has established procedures to affirmatively market units assisted under HOME. These procedures are intended to further the objectives of Title VIII of the Civil Rights Act of 1968, the Fair Housing Amendments of 1988, Executive Order 11063, and Wisconsin's Fair Housing Law contained in Wisconsin Statutes 101.22.

Grantees are required to adopt the following affirmative marketing procedures:

1. Affirmative Marketing Actions

Grantees must ensure that the public, operators of HOME-assisted units, and likely tenants of such units are informed that the grantee is operating under an established affirmative marketing policy, applicable Federal fair housing laws and other applicable federal, state, and local housing laws. This policy must be stated in agreements with operators, be promoted in the community through media and other outlets, and be communicated to tenants in buildings that will be or have been assisted with HOME funds.

Operators of HOME-assisted units shall affirmatively market their units by advertising vacant units in local newspapers and using other appropriate methods. Owners of these properties must provide appropriate notification when any units become vacant. All forms of program marketing should depict the Equal Housing Opportunity logotype or slogan.

As part of their efforts to ensure that available units are affirmatively marketed to persons not likely to apply for such housing, grantees are encouraged to make HOME information available in non-English languages spoken by minority groups residing in or near the community. Furthermore, grantees are encouraged to distribute marketing materials to area social service agencies that work with minorities, handicapped individuals, or other protected class groups.

2. Affirmative Marketing Record Keeping

Affirmative marketing record keeping activities must include documentation of all good faith efforts to inform minorities, handicapped individuals or other protected groups of vacant units assisted with HOME funds, and inform owners of HOME-assisted units, social service agencies, and the general public how these units can be occupied. Record keeping should include the number of persons that respond directly to any program marketing efforts. Lastly, the number of persons residing in or planning to reside in HOME-assisted units that became aware of the units through local affirmative marketing efforts should be documented.

3. Affirmative Marketing Reporting

Summaries of affirmative marketing efforts should be available for public review. These "reports" should detail affirmative marketing activities, and identify actions to undertake, or to correct any noncompliance with Affirmative Marketing Policies or to mitigate any nonperformance problems in implementing plans. If corrective measures have been identified, actions taken on such measures must be reported. The State may review reports at any time to determine grantees' compliance with affirmative marketing regulations.

C. Local Sponsor Assessment of Grantee Performance

Assessment of each grantee's compliance with affirmative marketing procedures will be accomplished by reviewing their affirmative marketing reports and conducting on-site monitoring visits. Evidence of newspaper notices, posters, brochures and general knowledge of the program by local officials, lenders, and others will be reviewed and monitored by DOH.

The State will analyze the demographic profile of tenants in HOME-assisted units and follow up if the ratio of minority group or very low-income tenants occupying HOME-assisted units is substantially less than projected. Complaints of unfair marketing of these units will also be reviewed by the State and resolved in joint consultation with the grantee. The grantee must secure operator compliance by requiring them to sign an agreement to affirmatively market their units, to provide proper notification of such vacancies, and to comply with other applicable federal, state, and local housing laws for applicable periods after completion of the work.

The State requires grantees to take corrective actions if operators fail to carry out required procedures. If, after discussing with an operator methods of improving compliance, the grantee discovers that the owner repeatedly fails to meet affirmative marketing requirements, the grantee shall consider disqualifying the owner from future participation in HOME or take other appropriate actions.

The State requires grantees to complete periodic written assessments of affirmative marketing efforts in time to include the results in reports required by HUD. Assessments should cover any marketing of vacant HOME-assisted units made available for occupancy during the reporting period.

Minority and Women Business Outreach

The State has established the following policies and procedures to meet the requirements for minority (MBE) and women's (WBE) business enterprise participation in the HOME program as found in Section 281 of the National Affordable Housing Act and in 24 CFR 85.36 (e) and 92.351(b).

A. MBE/WBE Outreach Policy

1. It is the ongoing policy of the State of Wisconsin to make positive efforts to use MBE/WBE sources of supplies and services and to assure that these businesses will have the maximum feasible opportunity to compete for contracts or subcontracts supported by federal (including HOME) and/or state funds.

2. This policy is carried out under the guidance of the Minority Business Program Office situated in the Wisconsin Department of Administration (which will administer a HOME program) and the Bureau of Minority Business Development and the Women's Business Services Program situated in the Wisconsin Department of Commerce (which administers the Small Cities Community Development Block Grant Program).
- B. State MBE/WBE Outreach Activities
1. The State offers a range of activities and assistance for WBEs and MBEs and for potential users of the services these businesses provide. The State promotes WBEs and MBEs through training and technical assistance; newsletters, directories, handbooks, brochures, fact sheets and flyers; financial and management assistance programs; and certification and marketplace programs. Through such efforts, WBEs and MBEs are strengthened and are better able to compete for state- and federally-funded projects; the businesses are better informed about contracting opportunities; direct contacts are arranged between the businesses and potential users of their services; potential users are informed of the availability of these businesses services; and in some instances, additional incentives are given to those who use the services of these businesses (e.g. an applicant for state or federal funding may earn additional points on an application if it demonstrates prior usage of WBE or MBE services).
 2. The State also requires that recipients of its state or federal pass-through funds take affirmative steps to promote WBE and MBE utilization. This policy is evidenced by specific language in the contracts with its local sponsors. Each local sponsor through reports and monitoring must demonstrate its compliance with this contract provision.
- C. Local MBE/WBE Outreach Activities
1. Each local sponsor must maintain the appropriate records to document the numbers and types of contracts and subcontracts it awards (whether for construction, supplies, or services), the dollar value of each award, and the gender and ethnic/racial status of the management/ownership of the business.
 2. Some specific actions a local sponsor may take to promote the use of MBEs and WBEs are:
 - a. Develop and maintain a reference file of MBEs and WBEs, including the type of work performed, that are routinely sent invitations to bid or requests for proposals.
 - b. Develop a strategy to promote the use of MBEs and WBEs in its programs. Include ways to encourage such use by contractors.
 - c. Develop a procurement policy which provides that, where possible, contracts for work or supplies be obtained from MBEs or WBEs.
 - d. Maintain a log of follow-up phone contacts and personal visits to MBEs and WBEs.
- D. State Assessment of Local Outreach Efforts
1. Assessment of local compliance with MBE/WBE outreach procedures will be accomplished by reviewing their MBE/WBE activity reports and conducting on-site monitoring visits. Evidence of newspaper notices, bid specification mailings, local procurement policies, local contracts, and log sheets will be reviewed and monitored by DOH.
 2. The State requires local sponsors of funds to complete periodic written reports on their MBE/WBE outreach results in time to include the data in its reports to HUD.

TABLE 1:

WISCONSIN DEPARTMENT OF COMMERCE
1997-98 NON-HOUSING CDBG FUNDING AND BENEFICIARY GOALS

Activity	Estimated Number of Awards	Estimated Amount to be awarded	Estimated Beneficiaries	
			Total	LMI
Economic Development	25	\$10 million	1,300	660
Public Facilities for Economic Development	10	\$4.75 - 7 million	500	350
Public Facilities -- Water/Sewer	24	\$7.5 million	14,000	9,800
Other Public Facilities*	12	\$2.5 million	9,000	6,300
Total Public Facilities	36	\$10 million	23,000	16,100
TOTAL	71	\$24.75 - 27 million	24,800	17,110

* Other Public Facilities includes community centers, library facilities, workshops, streets, bridges, removal of architectural barriers, incidental acquisition and relocation.

TABLE 2:

**WISCONSIN DIVISION OF HOUSING
1997-98 Goals for Households & Persons to be Assisted With Housing**

AGGREGATE GOALS—ALL FEDERAL AND STATE HOUSING PROGRAMS

Assistance Provided by Income Group	Renters	Owners			Homeless		Non-homeless Special Needs (G)	TOTAL (A+B+C+D+E+F+G)
	Total Renters (A)	Existing Homeowners (B)	Home Buyers (C)	Total Homeowners (D)	Individuals (E)	Families (F)		
Extremely Low Income (0-30% of MFI)	1,805	1,520	430	1,950	9,875	9,285	750	23,665
Low Income (31-50% of MFI)	1,235	740	595	1,335	150	40	155	2,915
Moderate Income (51-80% of MFI)	640	745	700	1,445	50	10	160	2,305
Middle Income (81-95% of MFI)	350	90	250	340	0	0	0	690
TOTAL	4,030	3,095	1,975	5,070	10,075	9,335	1,065	29,575

**AGGREGATE GOALS—HUD'S COMMUNITY PLANNING AND DEVELOPMENT
FORMULA ALLOCATION PROGRAMS
(CDBG HOUSING, HOME, ESG, HOPWA)**

Assistance Provided by Income Group	Renters	Owners			Homeless		Non-homeless Special Needs (G)	TOTAL (A+D+E+F+G)
	Total Renters (A)	Existing Homeowners (B)	Home Buyers (C)	Total Homeowners (D)	Individuals (E)	Families (F)		
Extremely Low Income (0-30% of MFI)	80	110	35	145	9,050	8,800	620	18,695
Low Income (31-50% of MFI)	145	325	90	415	0	0	45	605
Moderate Income (51-80% of MFI)	70	320	240	560	0	0	70	700
Middle Income (81-95% of MFI)	0	0	0	0	0	0	0	0
TOTAL	295	755	365	1,120	9,050	8,800	735	20,000

APPENDIX A: WISCONSIN DEVELOPMENT FUND ADMINISTRATIVE
RULES

Chapter DOD 6

WISCONSIN DEVELOPMENT FUND

Subchapter I — Annual Public Facilities Competition

DCD 6.01	Purpose
DCD 6.02	Eligibility
DCD 6.03	Definitions
DCD 6.04	National objectives
DCD 6.05	Public facility scoring system
DCD 6.06	Distress indicators
DCD 6.07	Needs assessment
DCD 6.08	Planning
DCD 6.09	Past effort
DCD 6.10	Ability to pay
DCD 6.105	Leveraging
DCD 6.11	Comparison of communities
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DCD 6.13	Application process

Subchapter II — Economic Development Program and Public Facilities Economic Development Program

DCD 6.15	Economic development program
DCD 6.16	Public facilities economic development program
DCD 6.17	Application manual
DCD 6.18	Distribution of funds
DCD 6.20	Employment commitment

Subchapter III — Emergency Grants

DCD 6.30	Purpose
DCD 6.31	Eligibility
DCD 6.32	Funding
DCD 6.33	Grant application
DCD 6.34	Allocation

Subchapter IV — Customized Labor Training Fund

DCD 6.40	Purpose
DCD 6.405	Policy and plan
DCD 6.41	Definitions
DCD 6.42	Eligible applicants
DCD 6.43	Eligible providers
DCD 6.44	Grant and loan amounts and restrictions
DCD 6.45	Match requirements
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Note: Chapter DOD 6 was repealed and recreated by emergency rule effective 5-13-93.

Subchapter I — Annual Public Facilities Competition

DCD 6.01 Purpose. The purpose of subchrs. I, II and III is to set forth the criteria the department will use in administering the federal funds that the department receives pursuant to 42 USC 5301 to 5319 and 24 CFR Part 570.

History: Cr. Register, February, 1982, No. 314, eff. 3-1-82; emerg. am. eff. 10-6-87; am. Register, March, 1988, No. 387, eff. 4-1-88; am. Register, January, 1994, No. 457; am. Register, April, 1996, No. 484, eff. 5-1-96.

DCD 6.02 Eligibility. Any city, village or town with a population of less than 50,000 that is not eligible to apply for or participate in the federal block grant entitlement program and any county, other than an urban county as defined by the United States department of housing and urban development, may apply for federal funds under the Wisconsin development fund.

History: Cr. Register, February, 1982, No. 314, eff. 3-1-82; emerg. am. eff. 10-6-87; am. Register, March, 1988, No. 387, eff. 4-1-88.

DCD 6.03 Definitions. In subchrs. I and II:

(1) "Application" means a request for funding for either economic development, public facilities economic development or public facility projects as provided in this chapter.

(1r) "CDBG funds" means community development block grant funds awarded to the department by the federal government pursuant to 42 USC 5301 to 5319.

(2) "Department" means the department of development.

(3) "Economic development program" means the continuous receipt and review of applications for economic development projects as provided in subch. II of this chapter.

(4) "Full value per capita" means the estimated market value of all taxable property in the municipality divided by the number of persons residing in the municipality.

(4r) "Local government" means a unit of general purpose local government that is eligible to apply for and receive CDBG funds under s. DOD 6.02.

(5) "Median household income" means the median household income as reported by the 1990 U.S. census and updated by the U.S. department of commerce.

(6) "Metropolitan area" means any county which is within a standard metropolitan statistical area.

(7) "Net mill rate" means the total of all property taxes levied by the local government for all purposes less general property tax relief payments divided by the estimated market value of taxable property in the local government.

(8) "Non-metropolitan area" means any county not within a standard metropolitan statistical area.

(9) "Public facilities competition" means the receipt and review of applications for public facilities projects as provided in this subchapter.

(10) "Public facilities economic development program" means the continuous receipt and review of applications for public facilities projects that support economic development as provided in subch. II of this chapter.

(11) "Public facility system" means the land, right-of-way, structures and equipment needed to meet a particular community need, such as water supply or storm drainage.

(12) "Residential utility rate" means the average annual household utility rate paid for water and sanitary sewer services determined by dividing the total gross annual residential water and sewer revenue collected for the preceding calendar year by the number of households served.

(13) "Service center" means an elderly center, center for the handicapped or similar facility which requires continued administrative funding to support the services provided by the facility.

(13r) "Small cities development fund grant" means a grant to an eligible local government for the purpose of undertaking economic development projects, public facilities projects that support economic development and public facilities projects.

(14) "Target area" means an area or areas within the municipality which contain a concentration of low- and moderate-income or minority households, and which include not more than 50% of the households of the municipality.

(14r) "Target population" means persons with low to moderate income.

(15) "Urgent local need" means that the proposed public facility projects beyond the utility of the applicant to finance, as measured by available obligation debt capacity, residential utility rate and timely availability of funds from other sources, and is either necessary to address an imminent public health, safety or welfare problem or is required by an order of a state agency, federal agency or court.

History: Cr. Register, February, 1982, No. 314, eff. 3-1-82, am. (6), Register, November, 1983, No. 335, eff. 12-1-83; renum. (1) to be (1m) and am. (1) and (2), s. (3a) and (11), Register, November, 1984, No. 347, eff. 12-1-84; emerg. am. (1), (2), (3), (4), (5), (6) and (11), renum. (1) to (14) and (16) to be (1m), (15), (14) and (15) and am. (1m) to (16), eff. 11-6-87, m. (1), intro., (1), (10) and (11), am. (1), (6) and (15), renum. (1), (14), (15) and (16) to be (2m), (16), (15) and (15) and am. (2m), (14) and (16), Register, March, 1988, No. 387, eff. 4-1-88; renum. (1), (10) to (5) and (12) to be (9), (2) to (6) and (13) and am. (2) and (4), s. (1), (12) to (4) and (9), and renum. (10) and (15) and am. (7), (16), Register, January, 1994, No. 457, eff. 2-1-94; (1), renum. (2) to (5) to be (1) to (4), m. (5), Register, December, 1994, No. 461, eff. 1-1-95; m. (4r) and (14r), renum. (16) to be (13r) and am., Register, April, 1996, No. 484, eff. 5-1-96.

DOD 6.04 National objectives. Each application and each project proposed in an application shall meet either of the following requirements:

(1) **BENEFIT TO LOW- AND MODERATE-INCOME PERSONS.** The percentage of requested funds to be used for the direct benefit of low- and moderate-income persons must meet at least the minimum requirements of 24 CFR 570.483 (b) (2).

(2) **URGENT LOCAL NEED.** For those applications which propose projects that have a local government-wide benefit and which are proposed in a local government that has a smaller percentage of low- and moderate-income persons than specified in the application manual prepared by the department, the projects must meet an urgent local need.

History: Cr. Register, February, 1982, No. 314, eff. 3-1-82, am. Register, November, 1984, No. 347, eff. 12-1-84; emerg. am. (1), Register, March, 1988, No. 387, eff. 4-1-88; m. and renum., Register, January, 1994, No. 457, eff. 2-1-94.

DOD 6.05 Public facility scoring system. The allocation of Wisconsin development fund grants distributed under the public facility competition shall be based upon the comparative ranking of applications. Comparative ranking is established by respective points awarded pursuant to ss. DOD 6.06 to 6.11. A local government may submit one application during each public facility competition. After reviewing the applications received during any public facilities competition, the department may establish a minimum score of 275 for funding.

History: Cr. Register, February, 1982, No. 314, eff. 3-1-82; m. and renum., Register, January, 1994, No. 457, eff. 2-1-94.

DOD 6.06 Distress indicators. Distress indicators have a total value of 100 points as follows:

(1) **NET MILL RATE.** Scores shall range from 25 for those applicants with the highest net mill rates to 0 for those applicants with the lowest net mill rates. The 10% of applicants with the lowest net mill rates shall receive a score of 0. The remaining 90% of applicants will be sorted into 20 groups so that applicants in the group with the highest net mill rates receive 25 and applicants in each succeeding group receive a score 5% less than the score of the preceding group.

(2) **FULL VALUE PER CAPITA.** Scores shall range from 25 for those applicants with the lowest full values per capita to 0 for those applicants with the highest full values per capita. The 10% of applicants with the highest full value per capita shall receive a score of 0. The remaining 90% of applicants will be sorted into 20 groups so that applicants in the group with the lowest full value per capita receive 25 and applicants in each succeeding group receive a score 5% less than the score of the preceding group.

(3) **MEDIAN HOUSEHOLD INCOME.** Scores shall range from 50 for those applicants with the lowest median household income to 0 for those applicants with the highest median household income. The 10% of applicants with the highest median household income shall receive a score of 0. The remaining 90% of applicants will be sorted into 20 groups so that applicants in the group with the lowest median household income receive 50 points and applicants in each succeeding group receive a score 5% less than the score of the preceding group.

History: Cr. Register, February, 1982, No. 314, eff. 3-1-82, am. (1), (2), (3) and (10), Register, November, 1983, No. 335, eff. 12-1-83, am. (intro.) and (2), s. (2), (7), (1), Register, November, 1984, No. 347, eff. 12-1-84; emerg. am. (intro.), (2), (3), (4), (5), (6), (7), (8), (9), (10), (11), (12), (13), (14), (15), (16), (17), (18), (19), (20), (21), (22), (23), (24), (25), (26), (27), (28), (29), (30), (31), (32), (33), (34), (35), (36), (37), (38), (39), (40), (41), (42), (43), (44), (45), (46), (47), (48), (49), (50), (51), (52), (53), (54), (55), (56), (57), (58), (59), (60), (61), (62), (63), (64), (65), (66), (67), (68), (69), (70), (71), (72), (73), (74), (75), (76), (77), (78), (79), (80), (81), (82), (83), (84), (85), (86), (87), (88), (89), (90), (91), (92), (93), (94), (95), (96), (97), (98), (99), (100), Register, January, 1994, No. 457, eff. 2-1-94; emerg. am. (1), (2), (3), (4), (5), (6), (7), (8), (9), (10), (11), (12), (13), (14), (15), (16), (17), (18), (19), (20), (21), (22), (23), (24), (25), (26), (27), (28), (29), (30), (31), (32), (33), (34), (35), (36), (37), (38), (39), (40), (41), (42), (43), (44), (45), (46), (47), (48), (49), (50), (51), (52), (53), (54), (55), (56), (57), (58), (59), (60), (61), (62), (63), (64), (65), (66), (67), (68), (69), (70), (71), (72), (73), (74), (75), (76), (77), (78), (79), (80), (81), (82), (83), (84), (85), (86), (87), (88), (89), (90), (91), (92), (93), (94), (95), (96), (97), (98), (99), (100), Register, December, 1994, No. 463, eff. 1-1-95.

DOD 6.07 Needs assessment. Applicants shall receive 75, 50, 25 or 0 for describing and documenting the need for public facility projects as follows:

(1) An applicant shall receive 75 if it has identified, described and documented, by an outside agency, at the state level if possible, its public facility deficiencies, has proposed activities that will alleviate the problem and has shown that the activities are necessary to alleviate an urgent health and safety problem or are otherwise essential to the community.

(2) An applicant shall receive 50 if it has identified, described and documented the public facility deficiencies, has proposed activities that will alleviate the identified problems and has shown that the activities are necessary to alleviate an imminent health and safety problem or are otherwise essential to the community.

(3) An applicant shall receive 25 if it has identified, described and documented the public facility deficiencies and has proposed activities that will assist in alleviating the identified problem.

(4) An applicant which fails to meet the requirements of sub. (3) shall receive 0.

History: Cr. Register, February, 1982, No. 314, eff. 3-1-82, am. (intro.) and (1), Register, November, 1983, No. 335, eff. 12-1-83; emerg. am. (intro.) and (2), eff. 10-6-87, am. (intro.) and (2), Register, March, 1988, No. 387, eff. 4-1-88; m. and renum., Register, January, 1994, No. 457, eff. 2-1-94.

DOD 6.08 Planning. Applicants shall receive 50, 25 or 0 for planning as follows:

(1) An applicant shall receive 50 if it has submitted a public facility system plan describing total system needs including the proposed improvement and the specific project plan detailing the work to be completed and the cost.

(2) An applicant shall receive 25 if it has submitted a specific project plan detailing the work to be completed and the cost.

- (3) An applicant which does not meet the requirements of sub. (2) shall receive 0.

History: Cr. Register, January, 1994, No. 457, eff. 2-1-94.

DOD 6.09 Past effort. Applicants shall receive 25, 15 or 0 for past efforts to correct the identified deficiency as follows:

(1) An applicant shall receive 25 if it has described and documented past public facility construction activities that integrally relate to and support each proposed activity and that had a direct impact on alleviating the identified deficiency.

(2) An applicant shall receive 15 if it has described and documented past public facility maintenance or improvements that relate to the proposed activities including previous attempts to fund the activities.

(3) An applicant which does not meet the requirements of sub. (2) shall receive 0.

History: Cr. Register, January, 1994, No. 457, eff. 2-1-94.

DOD 6.10 Ability to pay. Applicants shall receive 25, 15 or 0 for the relative rank of their residential utility rates and 25, 15 or 0 for their relative ability to incur additional general obligation indebtedness as follows:

(1) **RESIDENTIAL UTILITY RATES.** (a) An applicant shall receive 25 if its residential utility rate is among the top third of applicants or if it is establishing the initial rate of a new public utility.

(b) An applicant shall receive 15 if its residential utility rate is among the middle third of applicants.

(c) An applicant which does not meet the requirements of pars. (a) or (b) shall receive 0.

(2) **GENERAL OBLIGATION DEBT.** (a) An applicant shall receive 25 if its general obligation debt per capita is among the top third and its available general obligation debt per capita is among the lower third of applicants.

(b) An applicant shall receive 15 if its general obligation debt per capita and its available general obligation debt per capita are among the middle third of applicants.

(c) An applicant which does not meet the requirements of par. (a) or (b) shall receive 0.

History: Cr. Register, February, 1982, No. 314, eff. 3-1-82; n. and rect., Register, January, 1994, No. 457, eff. 2-1-94.

DOD 6.105 Leveraging. Applicants shall receive up to 100 points for leveraging or matching Wisconsin development funds with other funds that will either expand results or permit more aspects of need to be addressed. To receive credit for leveraging, there must be evidence of prior commitment of the availability of funds within the program period. Points shall be allocated under this section as follows:

(1) Applicants that leverage one or more dollars of other funds for each dollar of Wisconsin development funds shall receive 100 points. Applicants that leverage less than one dollar for each dollar of Wisconsin development funds shall receive points equal to the whole number equivalent of the ratio of other dollars to Wisconsin development fund dollars carried to 2 decimal places.

(2) Those applicants which receive a score of 20 or more under sub. (1) with adjusted gross incomes per capita below the median adjusted gross income per capita for all eligible applicants shall receive points as provided in sub. (1) plus the whole number equivalent of the percentage differential between the adjusted gross income per capita of the applicant and the median adjusted gross income per capita for all eligible applicants up to a maximum of 100.

History: Cr. Register, January, 1994, No. 457, eff. 2-1-94.

DOD 6.11 Comparison of communities. (1) **DISTRESS COMPARISON.** For the purpose of determining the scores for distress indicators, all eligible applicants with a population of 5,000 or more, other than counties, shall compete against each other. All eligible non-metropolitan area applicants with a population of less than 5,000 and all non-metropolitan area counties shall com-

pete against each other to determine the scores for the distress indicators. All eligible metropolitan area applicants with a population of less than 5,000 and all metropolitan area counties shall compete against each other to determine the scores for the distress indicators.

(2) **OVERALL COMPARISON.** For the purpose of determining the overall ranking of applications, all applications shall be compared to and compete against each other.

History: Cr. Register, February, 1982, No. 314, eff. 3-1-82; emerg. am. (2), eff. 10-6-87; am. (2), Register, March, 1983, No. 337, eff. 4-1-83.

DOD 6.12 Distribution of funds. The maximum amount available to an applicant is \$750,000.

History: Cr. Register, February, 1982, No. 314, eff. 3-1-82; am. (2), Register, November, 1983, No. 335, eff. 12-1-83; emerg. n. and rect. eff. 10-6-87; n. and rect., Register, March, 1983, No. 337, eff. 4-1-83; am. (1), (2), Register, January, 1994, No. 457, eff. 2-1-94.

DOD 6.13 Application process. (1) **MANUAL.** The department shall annually prepare a manual that contains the Wisconsin development fund grant application procedures. The department may update the manual as needed. The manual shall be available to all eligible applicants not later than 2 months prior to the deadline for receipt of applications.

(2) **SUBMISSION OF APPLICATIONS.** Applications shall be submitted by the deadline and in accordance with the procedures and format contained in the manual.

History: Cr. Register, February, 1982, No. 314, eff. 3-1-82; emerg. am. (1), eff. 10-6-87; am. (1), Register, March, 1983, No. 337, eff. 4-1-83.

Subchapter II — Economic Development Program and Public Facilities Economic Development Program

DOD 6.14 Applicability. History: Cr. Register, November, 1994, No. 347, eff. 12-1-94; emerg. am. eff. 10-6-87; am. Register, March, 1983, No. 337, eff. 4-1-83; am. Register, January, 1994, No. 457, eff. 2-1-94; n. Register, April, 1996, No. 484, eff. 5-1-96.

DOD 6.15 Economic development program. (1) The department may award a grant under the economic development program upon receipt and consideration of an application from an eligible local government if the department determines all of the following:

(a) The project serves a public purpose.

(b) The local government has a community development plan as required by 42 USC 5304 (m).

(c) The project costs are reasonable.

(d) All sources of project financing will be committed prior to the disbursement of the grant.

(e) The project is financially feasible.

(f) The business that will benefit from the economic development grant has the economic ability to repay the funds.

(g) The project will likely retain or create jobs in this state.

(h) The percentage of jobs retained or created that are made available to persons in the target population will likely exceed the percentage specified in the application manual.

(i) Financing for the project is unavailable from any other source on reasonably equivalent terms.

(j) The business that will benefit from the economic development grant will contribute at least 50% of the total cost of the project from private funding sources.

(k) The project includes job training, child care or transportation activities under 24 CFR 570.483 (b) (2) (iv) designed to benefit low- and moderate-income persons, job creation or retention activities under 24 CFR 570.483 (b) (4) designed to benefit low- and moderate-income persons or other activities under 24 CFR Part 570 that meet the national objectives of benefit to low- and moderate-income persons through job creation.

(2) To make a determination under sub. (1) (a), the department shall consider all of the following:

(a) The extent of poverty and unemployment and other economic factors in the area of the project.

(b) The prospects for new investment and economic development in the area.

(c) The amount of investment that is likely to result from the project.

(d) The total cost per job created or retained.

(e) The amount of wages and benefits to be provided by the business.

(f) The willingness of the business to work cooperatively with local job service offices and private industry councils to identify and offer job opportunities to persons in the target population.

(g) The availability of satisfactory collateral and personal guarantees to assure repayment of the economic development grant.

(h) Whether the award will provide the business with an unreasonable competitive advantage over other similar Wisconsin businesses in the vicinity of the project.

(i) Whether the project will involve relocation of a business and displacement of jobs from one local government in Wisconsin to another local government in Wisconsin.

(3) The amount of funds requested for each job to be created or retained may not exceed \$20,000. The amount awarded shall depend upon the department's consideration of the factors in sub. (2).

History: Cr. Register, November, 1984, No. 347, eff. 12-1-84; am. Register, January, 1987, No. 373, eff. 2-1-87; emerg. am. eff. 10-6-87; am. Register, March, 1988, No. 387, eff. 4-1-88; am. Register, January, 1994, No. 457, eff. 2-1-94; r. and recr. Register, April, 1996, No. 484, eff. 5-1-96.

DOD 6.16 Public facilities economic development program. (1) The department may award a grant under the public facilities economic development program upon receipt and consideration of an application from an eligible local government if the department determines all of the following:

(a) Each of the items in s. DOD 6.15 (1) (a), (c), (d), (e), (g) and (h).

(b) The local government has a citizen participation plan as required under 24 CFR 570.486 (a).

(c) The local government will contribute at least 25% of the total cost of the project from funding sources other than the federal or state government.

(2) To make a determination under sub. (1) (a), the department shall consider each of the items in s. DOD 6.15 (2) (a) to (f), (h) and (i).

(3) The amount of public facility economic development program funds requested by an eligible local government may not exceed \$10,000 for each job created and retained. The amount awarded shall depend upon the department's consideration of the factors set forth in sub. (2).

History: Cr. Register, November, 1984, No. 347, eff. 12-1-84; am. (4) (intro.), (5) (intro.), (6) (intro.), (7) (intro.) and (3) (intro.), Register, January, 1987, No. 373, eff. 2-1-87; emerg. r. and recr. eff. 10-6-87; r. and recr. Register, March, 1988, No. 387, eff. 4-1-88; r. (1), am. (intro.), (3) to (6), (4) (b), (c), (d), Register, January, 1994, No. 457, eff. 2-1-94; r. and recr. Register, April, 1996, No. 484, eff. 5-1-96.

DOD 6.17 Application manual. The department shall prepare application manuals which it may update as needed. The application manuals will contain the application procedures, requirements and instructions for funding under the economic development program and the public facilities economic development program.

History: Cr. Register, November, 1984, No. 347, eff. 12-1-84; emerg. am. eff. 10-6-87; am. Register, March, 1988, No. 387, eff. 4-1-88; am. Register, January, 1994, No. 457, eff. 2-1-94.

DOD 6.18 Distribution of funds. (1) Out of each annual grant of CDBG funds from the federal government, the department may set aside up to 75% for the economic development program, up to 20% for the public facilities economic development program, and up to 75% for the public facilities program administered under subch. I. The department shall report semiannually to

the chairs of the economic development standing committees of the legislature on the status of the program. Program income received by the department from repayments of prior economic development program awards shall be allocated for economic development, public facilities economic development or public facilities program awards.

(2) (a) The maximum amount of CDBG funds that may be awarded to any local government for the purpose of making a loan to a business under the economic development program shall be \$1 million. The maximum amount available to any business during any 5 year period shall be \$1 million. The maximum aggregate amount of CDBG funds that may be awarded under the economic development program to any local government shall be \$1.5 million per calendar year.

(b) The maximum amount of CDBG funds that may be awarded to any local government for the benefit of a business under the public facilities economic development program shall be \$500,000. The maximum aggregate amount of CDBG funds that may be awarded to any local government under the public facilities economic development program shall be \$1 million per calendar year.

(3) Each eligible local government that is awarded economic development program funds may retain program income from all grants awarded subject to subs. (4), (5) and (6) to establish and capitalize an economic development revolving loan fund. A local government that establishes an economic development revolving loan fund shall administer and use the fund in accordance with all of the requirements established by the federal government and the department.

(4) (a) Subject to pars. (am) to (e) and subs. (5) and (6), retained cumulative program income may not exceed:

1. \$100,000 for a local government with a population of 1,000 or less

2. \$150,000 for a local government with a population of more than 1,000 but less than 2,000

3. \$250,000 for a local government with a population of 2,000 or more but less than 4,000

4. \$500,000 for a local government with a population of 4,000 or more but less than 10,000

5. \$750,000 for a local government with a population of 10,000 or more

(am) As an alternative to the cumulative program income limits in par. (a) a local government may elect to retain program income from grants received prior to January 1, 1987 in excess of the limits in par. (a). A local government shall make the election on a form prescribed by the department. Any local government that makes the election under this paragraph, may not retain program income generated after the effective date of this paragraph from grants received on January 1, 1987 or thereafter except as provided in sub. (5).

Note: The form required under s. DOD 6.18 (4) (am) may be obtained at no charge from the Department of Development, Office of Development Finance, P.O. Box 7970, Madison, WI 53707.

(b) All program income received by a local government in excess of the limits in par. (a) or (am), if the local government makes the election under par. (am), shall be paid to the department within 30 days of receipt. The department shall use such program income to fund eligible economic development, public facilities economic development and public facilities activities.

(c) A local government that will generate program income in excess of the amounts allowed in par. (a) or (am), if the local government makes the election under par. (am), shall not be eligible to retain the excess program income except as provided in sub. (5).

(d) All program income shall be used by a local government in accordance with 24 CFR Part 570 and the local government's contract with the department.

(e) The department may require a local government to return program income if any of the following occurs:

1. The local government fails to use the funds in accordance with the requirements established by the federal government and the department.

2. The local government fails to comply with the recordkeeping and reporting requirements established by the federal government and the department.

3. The local government fails to make any economic development loans with the revolving loan fund for a period of two consecutive years and, after receiving a notice from the department, fails to make any economic development loans for a period of 6 months.

4. The local government discontinues its economic development program following the close out of its most recent contract with the department.

(5) (a) Any local government that desires to retain program income in excess of the limits established under sub. (4) (a) or (am) shall submit an application to the department setting forth the information as may be required by the department to justify the retention of 50% of the program income in excess of the limits.

(b) When evaluating applications under par. (a), the department shall consider the following factors:

1. Whether the local government has complied with the administrative, underwriting, recordkeeping and other requirements established by the federal government and the department.

2. The total number and amount of loans made by the local government using program income in the revolving loan fund.

3. The default rate on loans made by the local government using program income in the revolving loan fund.

4. The demonstrated need for an increase above the local government's program income limit.

(c) Any increase above a local government's original program income limit shall be made in increments equal to 25% of the limit established under sub. (4) (a) or (am).

(d) Local governments authorized by the department to retain excess program income may keep 50% of the excess program income received, subject to the program income limits in par. (c). The balance of such program income shall be paid to the department within 30 days of receipt.

(6) Any local government that establishes an economic development revolving loan fund pursuant to this subchapter shall report annually to the department on the use of such a fund on forms and at such times as prescribed by the department.

History: Cr. Register, November, 1984, No. 347, eff. 12-1-84; am. (1) and (2), m. (4) to (6), Register, January, 1987, No. 373, eff. 2-1-87; emerg. am. (1), n. (2), renum. (3) to (6) to be (2) to (5) and am. (2), (3), (4) (a), 4, 5, and (c), eff. 10-6-87; am. (1), n. (2), renum. (3) to (6) to be (2) to (5) and am. (2), (3), (4) (a), 3, to 5, and (c), Register, March, 1988, No. 337, eff. 4-1-88; am. (1), (2), (3), (4) (b), n. (d), Register, January, 1994, No. 457, eff. 2-1-94; am. (1) to (4), n. (4) (am), (e) and (5), renum. (5) to be (6) and am., Register, April, 1996, No. 484, eff. 5-1-96.

DOD 6.20 Distribution of funds. **History:** Emerg. or eff. 10-6-87, Cr. Register, March, 1988, No. 337, eff. 4-1-88; am. (1), n. (2), Register, January, 1994, No. 457, eff. 2-1-94; r. Register, April, 1996, No. 484, eff. 5-1-96.

DOD 6.20 Employment commitments. Employers shall document job creation and job retention with a list of jobs or positions that specifies job titles, the number of full-time equivalent positions to be filled or retained under each title, job skills and wages or salaries.

History: Cr. Register, March, 1988, No. 337, eff. 4-1-88; renum. from DOD 6.24, Register, April, 1996, No. 484, eff. 5-1-96.

DOD 6.21 Business relocation. **History:** Emerg. or eff. 10-6-87, Cr. Register, March, 1988, No. 337, eff. 4-1-88; r. Register, April, 1996, No. 484, eff. 5-1-96.

DOD 6.22 Type of assistance. **History:** Emerg. or eff. 10-6-87, Cr. Register, March, 1988, No. 337, eff. 4-1-88; r. Register, April, 1996, No. 484, eff. 5-1-96.

DOD 6.23 Unfair competition. **History:** Cr. Register, March, 1988, No. 337, eff. 4-1-88; r. Register, April, 1996, No. 484, eff. 5-1-96.

Subchapter III — Emergency Grants

DOD 6.30 Purpose. (1) The purpose of this subchapter is to set forth the criteria the department will use to determine how federal Wisconsin development funds will be distributed to provide emergency assistance to local governments which have experienced natural disasters or other catastrophic events that threaten the public health or safety of the community and lead to an urgent need for major infrastructure repairs or replacement.

(2) Sections DOD 6.01, 6.02 and 6.03 (4) and (13r) and the provisions of this subchapter apply to the emergency grants program.

History: Cr. Register, April, 1985, No. 352, eff. 5-1-85; emerg. renum. from DOD 6.20, eff. 10-6-87; renum. from DOD 6.20, Register, March, 1988, No. 337, eff. 4-1-88; am. n. (2), Register, January, 1994, No. 457, eff. 2-1-94; correction made under s. 13.93 (2m) (b) 7., Stats., Register, April, 1996, No. 484.

DOD 6.31 Eligibility. In addition to meeting the provisions of s. DOD 6.02, to be eligible for funding under this subchapter a community must meet the requirements contained in subs. (1) through (3).

(1) The local government must have suffered a natural disaster or other catastrophic event.

(2) The community must have sustained damage which is beyond the financial capability of the local government to repair.

(3) The community must provide a match equal to one-third of the block grant funds requested.

History: Cr. Register, April, 1985, No. 352, eff. 5-1-85; emerg. renum. from DOD 6.21, eff. 10-6-87; renum. from DOD 6.21, Register, March, 1988, No. 337, eff. 4-1-88; am. (1), Register, January, 1994, No. 457, eff. 2-1-94.

DOD 6.32 Funding. (1) The activities which are eligible for funding under this subchapter are the same as those which were eligible under the public facilities competition except that they must in addition be related to recovery from the emergency, must be for items which are not covered by insurance or other funding sources and must be unable to await funding available through the next public facilities competition.

(2) Grants may be for up to \$500,000.

(3) In situations where the catastrophic event was caused by human activity, such as a spill of hazardous material, and funds to repair the damage are recovered from a responsible party, then the department shall be reimbursed for its proportionate share of the repair.

History: Cr. Register, April, 1985, No. 352, eff. 5-1-85; emerg. renum. from DOD 6.22, eff. 10-6-87; renum. from DOD 6.22, Register, March, 1988, No. 337, eff. 4-1-88; emerg. am. (2), eff. 9-27-93; am. (1), n. (2), Register, January, 1994, No. 457, eff. 2-1-94.

DOD 6.33 Grant application. (1) A local government interested in applying for an emergency grant must provide the department with a written request dated not more than 90 days after the later of the issuance of the state or federal disaster declaration applicable to the local government, the occurrence of or the discovery of the catastrophic event, which includes:

(a) A description of the damage.

(b) Documentation of a state or federal disaster declaration or a description of the catastrophic event.

(c) A description of the activities the emergency grant will fund.

(d) A budget.

(e) Evidence of the one-third financial match to the emergency grant funds requested.

(f) A discussion of alternative remedies, and

(g) Evidence that the applicant can assume or identify other means to pay project costs in excess of \$500,000.

History: Cr. Register, April, 1985, No. 352, eff. 5-1-85; emerg. renum. from DOD 6.23, eff. 10-6-87; renum. from DOD 6.23, Register, March, 1988, No. 337, eff. 4-1-88; emerg. am. (1) (intro) and (c), eff. 9-27-93; am. (1), Register, January, 1994, No. 457, eff. 2-1-94.

APPENDIX B: CERTIFICATIONS

STATE CERTIFICATIONS

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the State certifies that:

Affirmatively Further Fair Housing -- The State will affirmatively further fair housing, which means it will conduct an analysis of impediments to fair housing choice within the state, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting that analysis and actions in this regard.

Anti-displacement and Relocation Plan -- It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR 24; and it has in effect and is following a residential antidisplacement and relocation assistance plan required under section 104(d) of the Housing and Community Development Act of 1974, as amended, in connection with any activity assisted with funding under the CDBG or HOME programs.

Drug Free Workplace -- It will or will continue to provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
2. Establishing an ongoing drug-free awareness program to inform employees about -
 - (a) The dangers of drug abuse in the workplace;
 - (b) The grantee's policy of maintaining a drug-free workplace;
 - (c) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - (d) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 1;
4. Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under the grant, the employee will -
 - (a) Abide by the terms of the statement; and
 - (b) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 4-b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 4-b), with respect to any employee who is so convicted -

- (a) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - (b) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, 5 and 6.

Anti-Lobbying -- To the best of the State's knowledge and belief:

- 1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
- 2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
- 3. It will require that the language of paragraphs 1 and 2 of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

Authority of State -- The submission of the consolidated plan is authorized under State law and the State possesses the legal authority to carry out the programs under the consolidated plan for which it is seeking funding, in accordance with applicable HUD regulations.

Consistency with plan -- The housing activities to be undertaken with CDBG, HOME, ESG, and HOPWA funds are consistent with the strategic plan.

Section 3 -- It will comply with section 3 of the Housing and Urban Development Act of 1968, and implementing regulations at 24 CFR Part 135.

FOR THE DEPARTMENT OF COMMERCE:

Philip S. Allen 2/7/97
 Signature of Authorized Official Date

Administrator
 Title

Economic Development
 Division

FOR THE DEPARTMENT OF ADMINISTRATION:

[Signature] 2/12/97
 Signature of Authorized Official Date

Administrator
 Title

Housing
 Division

3. Special Assessments. The state will require units of general local government that receive CDBG funds to certify to the following:

It will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements.

However, if CDBG funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds.

It will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108, unless CDBG funds are used to pay the proportion of fee or assessment attributable to the capital costs of public improvements financed from other revenue sources. In this case, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. Also, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the state certifies that it lacks CDBG funds to cover the assessment.

Excessive Force -- It will require units of general local government that receive CDBG funds to certify that they have adopted and are enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction;

Compliance With Anti-discrimination laws -- The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 USC 2000d), the Fair Housing Act (42 USC 3601-3615), and implementing regulations.

Compliance with Laws -- It will comply with applicable laws.

FOR THE DEPARTMENT OF COMMERCE:


Signature of Authorized Official

2/7/97
Date

FOR THE DEPARTMENT OF ADMINISTRATION:


Signature of Authorized Official

2/7/97
Date

Administrator
Title

Economic Development
Division

Administrator
Title

Housing
Division

Specific CDBG Certifications

The State certifies that:

Citizen Participation -- It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR §91.115 and each unit of general local government that receives assistance from the State is or will be following a detailed citizen participation plan that satisfies the requirements of 24 CFR §570.486.

Consultation with Local Governments -- It has or will comply with the following:

1. It has consulted with affected units of local government in the nonentitlement area of the State in determining the method of distribution of funding;
2. It engages in or will engage in planning for community development activities;
3. It provides or will provide technical assistance to units of local government in connection with community development programs; and
4. It will not refuse to distribute funds to any unit of general local government on the basis of the particular eligible activity selected by the unit of general local government to meet its community development needs, except that a State is not prevented from establishing priorities in distributing funding on the basis of the activities selected.

Local Needs Identification -- It will require each unit of general local government to be funded to identify its community development and housing needs, including the needs of low-income and moderate-income families, and the activities to be undertaken to meet these needs.

Community Development Plan -- Its consolidated housing and community development plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that have been developed in accordance with the primary objectives of Title I of the Housing and Community Development Act of 1974, as amended. (See 24 CFR 570.2 and 24 CFR part 570)

Use of Funds -- It has complied with the following criteria:

1. Maximum Feasible Priority. With respect to activities expected to be assisted with CDBG funds, it certifies that it has developed its Action Plan so as to give maximum feasible priority to activities which benefit low and moderate income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include activities which the grantee certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available);
2. Overall Benefit. The aggregate use of CDBG funds including section 108 guaranteed loans during program year(s) 1996, 1997 and --- (a period specified by the grantee consisting of one, two, or three specific consecutive program years), shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period;

Specific HOME Certifications

The State certifies that:

Tenant Based Rental Assistance -- If it intends to provide tenant-based rental assistance, the use of HOME funds for tenant-based rental assistance is an essential element of the State's consolidated plan.

Eligible Activities and Costs -- It is using and will use HOME funds for eligible activities and costs, as described in 24 CFR § 92.205 through §92.209 and that it is not using and will not use HOME funds for prohibited activities, as described in §92.214.

Appropriate Financial Assistance -- Before committing any funds to a project, the State or its recipients will evaluate the project in accordance with the guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other Federal assistance than is necessary to provide affordable housing;

 2/12/97
Signature/Authorized Official Date

Administrator, Wisconsin Division of Housing
Title

ESG Certifications

The State seeking funds under the Emergency Shelter Program (ESG) certifies that it will ensure that its recipients of ESG funds comply with the following requirements:

Major rehabilitation/conversion -- In the case of major rehabilitation or conversion, it will maintain any building for which assistance is used under the ESG program as a shelter for homeless individuals and families for at least 10 years. If the rehabilitation is not major, the recipient will maintain any building for which assistance is used under the ESG program as a shelter for homeless individuals and families for at least 3 years.

Essential Services -- Where the assistance involves essential services or maintenance, operation, insurance, utilities and furnishings, it will provide services or shelter to homeless individuals and families for the period during which the ESG assistance is provided, without regard to a particular site or structure as long as the same general population is served.

Renovation -- Any renovation carried out with ESG assistance shall be sufficient to ensure that the building involved is safe and sanitary.

Supportive Services -- It will assist homeless individuals in obtaining appropriate supportive services, including permanent housing, medical and mental health treatment, counseling, supervision, and other services essential for achieving independent living, and other Federal State, local, and private assistance for such individuals.

Matching Funds -- It will obtain matching amounts required under 24 CFR §576.71.

Confidentiality -- It will develop and implement procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted under the ESG program, including protection against the release of the address or location of any family violence shelter project except with the written authorization of the person responsible for the operation of that shelter.

Homeless Persons Involvement -- To the maximum extent practicable, it will involve, through employment, volunteer services, or otherwise, homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under this program, in providing services assisted through this program, and in providing services for occupants of such facilities.

Consolidated Plan -- It is following a current HUD-approved Consolidated Plan or CHAS.

 _____
Signature/Authorized Official 2/12/77
Date

Administrator, Wisconsin Division of Housing
Title

HOPWA Certifications

The State HOPWA grantee certifies that:

Activities -- Activities funded under the program will meet urgent needs that are not being met by available public and private sources.

Building -- Any building or structure assisted under the program shall be operated for the purpose specified in the plan:

1. For at least 10 years in the case of any building or structure purchased, leased, rehabilitated, renovated, or converted with HOPWA assistance,
2. For at least 3 years in the case of assistance involving non-substantial rehabilitation or repair of a building or structure.


Signature/Authorized Official

2/12/97
Date

Administrator, Wisconsin Division of Housing
Title