



**STATE OF WISCONSIN
NON-HOUSING COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
ANNUAL ALLOCATION PLAN AND ADMINISTRATIVE PROCEDURES
APRIL 1, 2003 - MARCH 31, 2004**

ADMINISTERED BY THE

**WISCONSIN DEPARTMENT OF COMMERCE
201 WEST WASHINGTON AVENUE
MADISON, WISCONSIN**

**PARTNERSHIPS & COLLABORATION
FOR
COMMUNITY AND ECONOMIC DEVELOPMENT**

The Department of Commerce administers that portion of the State's Annual CDBG which is earmarked for non-housing related community development activities. More specifically, Commerce uses its allocation (approximately \$22 million annually) for the following program activities:

**PUBLIC FACILITIES ACTIVITIES (PF)
ECONOMIC DEVELOPMENT PROJECTS (ED)
PUBLIC FACILITIES FOR ECONOMIC DEVELOPMENT (PFED)
BLIGHT ELIMINATION AND BROWNFIELD REDEVELOPMENT (BEBR)
EMERGENCY ASSISTANCE PROGRAM
PUBLIC FACILITIES PLANNING GRANTS
TECHNICAL ASSISTANCE**

In addition to the above six program categories, the Department has, and is currently administering special federal disaster relief appropriations received from the U.S. Department of Housing and Urban Development (HUD). Due to changes made in Congress approximately four years ago, the Federal Emergency Management Agency now handles federal disaster relief programs, and therefore Commerce does not expect to receive any additional special disaster relief appropriations from HUD.

CITIZEN PARTICIPATION/CONSULTATION

In addition to meeting citizen participation requirements for the submission of the Annual Action Plan, Commerce also undertakes a number of initiatives during the course of the year to obtain input from its CDBG program users. These initiatives include:

- Solicitation of comments and suggestions via the Department's website. Persons visiting the site are encouraged to contact staff for program information as well as to provide customer feedback.
- The mailing of CDBG newsletters. Readers are encouraged to contact staff for more program information, as well as provide feedback on how the Department is doing in its program administration.
- Program evaluation forms to solicit feedback.
- Periodic e-mails/phone calls to consultants and regional planning commission staff to update program users on trends, policy decisions, or to disseminate information on revised forms, etc., and to invite comments in general or on specific topics. Invitations will continue to be issued to persons who advise local officials on CDBG matters and/or prepare applications to convene meetings to discuss issues and concerns.

April 1, 2003, will mark the beginning of the second program year of implementing major changes in the Department's CDBG Public Facilities program. The changes made by the legislature originated from recommendations by a Focus Group that was assembled in 1999 for purpose of reviewing the effectiveness of the program given changing conditions and needs. This group continued to meet in 2000, and was very involved in the review of draft administrative rules that incorporated many of the Group's recommendations.

Having administered the CDBG program since 1982, and having coordinated the expenditure of CDBG funds with several other state and federal agencies that also participate in a wide array of community and economic development projects, the result has been the establishment of excellent rapport with program users. This has also contributed to the inclusion of new program participants.

The Department also employs economic development consultants who are assigned to geographic regions of the state offering another means of hearing the needs and concerns of local government officials.

In summary, the citizen participation and consultation process involves more than holding hearings or informational meetings. It also includes one-on-one discussions and problem solving on complex community and economic development issues where brainstorming often results in identifying how CDBG can be more effective and responsive to local government needs.

FINANCIAL SOURCES & USES

HUD COMMUNITY PLANNING AND DEVELOPMENT FORMULA ALLOCATION

Program	HUD Authorization	Program Income/ Recaptured Funds	TOTAL FUNDS	Fiscal Year of HUD Authorizatio n
Community Development Block Grant (CDBG)	\$33,000,000			FY'03
<i>Public Facilities, Economic Development, Brownfield Redevelopment, Emergency, Planning, Technical Assistance</i>	\$23,000,000	2,500,000	\$25,500,000	FY'03
TOTAL COMMERCE REVENUE— HUD CPD PROGRAMS	\$23,000,000	\$2,500,000	\$25,500,000	FY'03

Leveraging of Other Resources

The Department administers several other programs that are used in conjunction with CDBG funds or are used in place of CDBG funding to enable the targeting of CDBG funds to specific program objectives, as defined by the Department's program design. These "other" programs, funded with state general purpose revenues, include the following (list is not all inclusive):

- Customized Labor Training Grants
- Economic Impact Loan Program
- Minority Business Assistance Grants/Loans
- Brownsfield Initiative – Grant Program
- Enterprise Development Zone Program
- Early Planning Grants
- Major Economic Development Program
- Rural Economic Development Microloans
- Community-Based Economic Development Program
- Community Development Zone Credit Program

In addition to leveraging funds from other Commerce administered state-funded programs, CDBG is also leveraged with funds from other state and federal sources, including:

- State Transportation Economic Assistance funds
- USDA – Rural Development Funds
- Wisconsin Trust Fund loans – low interest
- Wisconsin Clean Water Fund Program
- The State's Division of Housing and Intergovernmental Relations Housing programs

The most significant source of leveraging comes from applicant/local government sources. Each of the Department's CDBG programs requires applicants to provide a minimum match to the CDBG request. This match requirement has been very effective in obtaining a substantial amount of local dollars committed to projects, creating "ownership" for the applicant. Applicants can also leverage other state and federal funds to arrive at the match requirements. Typically, match dollars are in excess of minimum requirements because of the high cost of projects, and because of the recognition of Department practice to try to minimize (to the extent possible) the amount of CDBG dollars per project.

Match requirements for the Department administered CDBG programs are as follows:

- Public Facilities Program..... To obtain maximum points, an applicant must provide \$1.50 for every \$1.00 requested.
- Public Facilities for Economic Development... At least 25% of the project costs.
- Economic Development Projects..... At least \$1.00 for every \$1.00 requested.
- Emergency Grant Requests..... Match must equal 1/3 of the CDBG request.
- Blight Elimination and Brownfield Redevelopment..... At least 25% of the project costs.
- Planning Grants..... At least \$1.00 for every dollar requested.

PROPOSED PROGRAM OBJECTIVES AND ACTIVITIES

The objectives and activities for Commerce's CDBG programs for the 2003-2004 program year (during which Federal Fiscal year 2003 funds will be expended) are described below:

Public Facilities Program (PF)



The objectives of the PF program continue to remain as described in prior Consolidated Plans. These objectives include assisting the state's non-entitlement local units of government in addressing local public infrastructure and facility needs. Program design allows for funding of a wide variety of projects to respond to changing local community and economic development needs. Funded activities will continue to include: water and sewer transmission and treatment needs, streets, parks, curb, gutter, storm sewer and related components, public buildings, and other publicly-owned and operated facilities that serve the public. Certain activities (such as a work center for the developmentally disabled, undertaken by a non-profit agency) may be assisted. Eligible activities may also include public buildings serving CDBG targeted populations (i.e. community centers, senior centers, fire stations, activity and employment centers for developmentally disabled people). In certain cases, municipalities lacking basic medical clinic facilities or a library for area residents may receive CDBG assistance. Other activities may include handicapped accessibility

improvements to ensure access to critical and needed public facilities/buildings and blight elimination in support of community and economic development.

Commerce expects requests for public facilities' funds to continue to exceed the amount of available funds. The continued high level of demand for CDBG grants is a result of stable or reduced funding in other federal and state infrastructure grant programs. Local government budget issues, especially the holding of taxes and spending to current levels, and potential reductions of state and federal aids, will also force localities to look to the Block Grant Program.

Within the PF program, there are activities that have higher priorities than do others. In all cases, the Department will take into consideration the urgency of the request, the situation being experienced by targeted populations, financial need of the applicant, and whether the proposed activity corrects a serious deficiency. Lower priority is given to proposed projects that are on-going maintenance activities or that are capital improvements that normally are addressed on an on-going basis when operating a service or facility.

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

The **National Objectives** that will be addressed in Commerce's Public Facilities (PF) program will include the following:

- Benefit people of low- and moderate-income (LMI)
- Meet urgent local needs
- Removal of slum and blight conditions

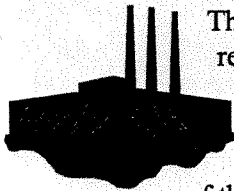
Up to 75 percent of Commerce's CDBG allocation may be spent in the PF program category. However, it is expected that an amount closer to 40-50 percent (approximately \$9-10 million) of the allocation will be used for the program.

The following table lists the proposed number of projects, funding goals, and beneficiaries for Public Facilities' projects that Commerce expects to fund in 2003-2004. These goals are based on past funding experiences and feedback from program clientele. Applications received by Commerce are applicant driven, and therefore projected expenditures are passed on types of applications received in the past.

PUBLIC FACILITIES Activity	Estimated Number of Awards	Estimated Amount to be awarded	Estimated Beneficiaries	
			Total	LMI
Public Facilities - Water & Sewer	18-20	\$6 million	36,000	20,000
Other Public Facilities*	7-10	3 million	12,000	8,000
Total Public Facilities	25-30	\$9 million	48,000	28,000

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

Economic Development Program



The CDBG Economic Development program will continue to enhance job creation and retention in Wisconsin through the provision of grants and loans to businesses, as well as employee training. COMMERCE will award funds to a general-purpose unit of government, which will then grant or loan the funds to a business. Subsequently, when the business repays the loan, the unit of government may retain all or a portion of the funds repaid to capitalize a local revolving loan fund (RLF). The local municipality may use the RLF to help local businesses finance start-up, expansion or retention activities, in accordance with their Commerce approved Revolving Loan Fund manual which is approved by Commerce.

Up to 75 percent of the CDBG funds Commerce receives may be used for the ED program. Past experience suggests that the Department will award approximately 45-50 percent, or around \$10-11 million, for ED grants. All ED awards must meet one of the three **National Objectives** listed below:

- Benefit people of low- and moderate-income (LMI)
- Meet urgent local needs
- Removal of slum and blight

Commerce expects that the principal objective to be met will continue to be benefiting people of low- and moderate-income through the creation of job opportunities or job retention, including retention achieved through skill upgrading. However, economic development projects that meet the other national objectives will also be considered. As in the past, Commerce will continue to pay particular attention to the quality of the jobs involved in the project.

Regarding ED eligibility, Commerce may award up to 50 percent of eligible project costs and up to \$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. Current practices are resulting in ED funds representing less than 25 percent of eligible project costs, and less than \$10,000 per job. Considerations for ED participation in a proposal include the following:

- The risks for the ED loan and the project's viability (character, capacity, capital, collateral and conditions).
- The number of jobs to be created.

The number of jobs to be made available to LMI persons 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 state (including areas with a concentration of poverty, unemployment and/or other factors contributing to the general economic hardship, and areas targeted for specific industry and technology clusters).
 The benefit to or impact upon the community.
 The competitive effect of providing ED funding on other businesses in the area.
 Whether the proposed activity supports one of many target industries that are a part of the state's Build Wisconsin Initiative.

It is important to note that proposed activities that support industry clusters or that support the state's major industry (that being agricultural based activities and farming) and that provide wages and salaries that provide workers with discretionary income as well as affordable benefits (i.e., health insurance, retirement programs) are likely to receive more favorable consideration than proposals that perpetuate low paying jobs without benefits.

The goals for the 2003-2004 program are as follows:

ECONOMIC DEVELOPMENT Activity	Estimated Number of Awards	Estimated Amount to be awarded	Estimated Beneficiaries	
			Total	LMI
Loans to Businesses	20	\$10 million	1,000	510

Public Facilities For Economic Development



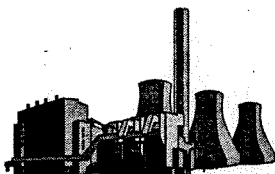
The objectives and strategies for Commerce's administration of the PFED program are to assist local government in infrastructure financing that expands employment opportunities for LMI persons in the community and that increases the municipality's tax base. The amount of PFED funds Commerce can award to an applicant is up to \$750,000; the maximum job cost being \$10,000 per job created or retained. As in the past, the Department will base the funding level for projects on business location (i.e., high unemployment areas, development zones), businesses types, wages, fringe benefits, and other related considerations. Because of labor market considerations, Commerce will take into account those variables that contribute to increased job quality or that provide for expanded economic opportunity for LMI persons.

Funding for the PFED program will be made available from Commerce through the reuse of program income received from local units of government in the form of ED loan repayments. Commerce may also allocate up to 20 percent of its CDBG funds for PFED activities.

Projects to be assisted with PFED funds include the installation or expansion of water and sewer to an enlarging industrial park, 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 job creation, retention and/or upgrading for area residents. Commerce will continue to require a 25 percent local government match and new private investment that is at least equal to the PFED investment in the project. Commerce expects most projects assisted with PFED funds to meet the **National Objective** of benefiting LMI persons.

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
Infrastructure Development	15	\$3 million	500	251



Blight Elimination and Brownfield Redevelopment (BEBR)

Limited activity is projected for the BEBR program due to the limited number of projects in the Small Cities category that meet all of the program criteria. The Department's state funded brownfield redevelopment program is able to fund most projects presented to the Department. Should activity continue to be limited for the BEBR program, funds earmarked for BEBR will then be reallocated to the other CDBG programs administered by the Bureau of Community Finance. There will be continued coordination with Commerce's state-funded \$10 million brownfield redevelopment program in an effort to more effectively utilize the limited resources of both programs. BEBR fund will continue to be available for site planning and for demolition to the extent that it results in blight elimination and redevelopment of the site for a taxable use.

The CDBG/BEBR program will continue to provide funding for site assessment and remediation activities. Commerce will target funding to those projects that have had Phase I and II studies, and that have developer commitments to the extent possible for the given situation. The two major objectives of the program are to make idle parcels productive, and to increase local tax base. Commerce will continue to give consideration to the readiness of the proposed redevelopment to proceed, and to the likelihood of resulting economic development or retention.

The **National Objective** addressed by BEBR is primarily Slum and Blight Elimination. Assessment projects will be eligible for up to \$100,000 of BEBR funds and remediation projects will be eligible for up to \$500,000, or a total of \$600,000 per site. Given the nature of brownfield redevelopment, most projects are expected to leverage substantial public and private resources.

BEBR program goals for the coming year are the following:

BLIGHT ELIMINATION AND BROWNFIELD REDEVELOPMENT Activity	Estimated Number of Awards	Estimated Amount to be awarded	Estimated Beneficiaries	
			Total	LMI
Assessments	2	\$1 million	N/A	N/A
Remediation	2	\$.75 million	75	38

Emergency Assistance Program



Commerce will continue the option to use funds from its annual HUD allocation for emergency grant purposes, specifically to respond to urgent needs, and in particular to damaged public facilities that need immediate attention. Up to 5%—approximately \$1.1 million—may be used for emergency grants. Prior program year allocations for Emergency Assistance have been less than \$500,000. It is hoped that no funds will be needed for emergency purposes. The need being assisted must have resulted from a natural disaster or other catastrophic event. The **National Objective** addressed through the Emergency Assistance Program will be Urgent Local Needs.

• Disaster Assistance Relief Program – Special Allocation

Commerce will continue its implementation of a \$3.4 million CDBG Disaster Relief grant received in 1998. Counties being assisted include Rock, Milwaukee and Waukesha. Communities being assisted include the Village of Cedar Grove and the City of Sheboygan, both in Sheboygan County, and the Township of Waterford in Racine County. Funds are being used for engineering, the repair of infrastructure that still needs attention and for flood mitigation projects.

Due to a congressional decision, no future special allocations from HUD for disaster relief are expected. The Federal Emergency Management Administration (FEMA) has been assigned the handling of all federal emergency relief programs. Commerce is expected to close out its 1998 special allocation grant by the first quarter of the 2003-2004 program year, and there will be no further activity related to federally assisted disaster relief.

CDBG Planning Grants and Technical Assistance Initiatives



The Department will continue its successful “project specific” planning grant program. These grants, designed to respond specifically to major local economic or community development proposals that will impact substantially on a community, will be limited in number and size, and be project-specific in conjunction with other significant public and private investment.

Funding for Technical Assistance, as well as other TA initiatives, will come from the 1 percent of CDBG funds available from the state’s annual CDBG allocation for TA purposes. Funds may be taken from any “open” CDBG contract the state has with HUD, meaning that funding may be from grant years prior to the state’s 2003 CDBG allocation.

Other objectives proposed for the 1% TA funds include: maximizing the utilization of CDBG funds at the local government level; including repaid CDBG-ED loan funds; maintaining compliance with CDBG program regulations; expanding CDBG program participation; and working with local officials to further leverage other resources for local needs. The strategies to be employed in meeting these objectives include the following:

Continue technical assistance to Revolving Loan Fund (RLF) administrators, particularly in the areas of financial record keeping, program design, loan application review, underwriting, documentation and servicing, and portfolio management.

Collaboration with local RLF program administrators, to help develop loan servicing systems to track loan repayments and to ensure the timely updating of security instruments;

Counsel RLF administrators on marketing, networking with other lenders in the community, establishing relationships with start-up enterprises, women-owned and/or minority businesses, and coordinating with other economic development initiatives, such as enterprise and development zone programs;

Assist CDBG grant administrators in reporting and compliance requirements—particularly in regard to Section 3 requirements—affirmatively furthering fair housing, survey design, and citizen participation practices;

Provide one-on-one technical assistance to local officials on CDBG program design and application preparation;

Assist local officials in completing progress and closeout program reports in a timely manner, as well as completing wage rate reports, environmental reviews and compliance reports.

Commerce technical assistance staff will accomplish these initiatives through on-site visits, training seminars and workshops, and through the preparation and distribution of guidance and instructional materials including an extensive use of the webpage and email system.

Based on the level of technical assistance provided in the past, Commerce expects to make approximately 2,000 technical assistance contacts in 2003-2004. These contacts include training sessions, program guidance materials, and presentations at council, committee, commission or other meetings where attendees are interested in learning more about CDBG, RLFs, and related issues.

METHOD OF DISTRIBUTION

The table that follows illustrates the methods by which federal and state funds, including program income, will be distributed in 2003-2004 by Commerce.

FEDERAL RESOURCES—COMMUNITY PLANNING AND DEVELOPMENT PROGRAMS

CDBG Funds	Method & Frequency of Distribution
Public Facilities	Applications reviewed/funded on a continual basis
Economic Development	Applications reviewed/funded on a continual basis
Public Facilities for Economic Development	Applications reviewed/funded on a continual basis
Blight Elimination and Brownfield Redevelopment	Applications reviewed/funded on a continual basis
Planning Grant Program	Applications reviewed/funded on a continual basis
Emergency Assistance Program	Applications reviewed/funded on a continuous basis

Allocation of CDBG Resources—Community Development

Commerce expects to allocate its funds for its various programs within the following parameters:

Program Category	Percentage of Allocation	Projected Total Awards
Public Facilities	Up to 75%	\$9 million
Economic Development	Up to 75%	10 million
Public Facilities for Economic Development	Up to 20% (plus program income)	3-4 million
Blight Elimination & Brownfield Redevelopment	Up to 10%	1-2 million
Planning Grants	Up to 2%	200,000
Emergency Grants	Up to 5%	1.1 million
Technical Assistance	Up to 1%	350,000

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

Program Category	Maximum Grant
Public Facilities	\$750,000
Economic Development	1,000,000
Public Facilities for Economic Development	750,000
Blight Elimination & Brownfield Redevelopment	100,000 (assessment) 500,000 (remediation)
Planning Grants	12,500
Emergency Grants	500,000

Commerce will continue to employ a "pre-application" process (called a Project Proposal) 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 retain a "pre-application" form and involve meetings with interested applicants for counsel and guidance purposes.

GEOGRAPHIC DISTRIBUTION

This section describes geographic limitations that apply to Commerce's CDBG program.

Commerce does not award CDBG funds in entitlement communities that 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, and the counties of Dane (most municipalities outside of Madison), Milwaukee and Waukesha.

The State does not use a geographic distribution plan for CDBG. Applications are reviewed and funded regardless of location in the eligible areas of the state. However, as illustrated in the past, there is a tendency for a higher level of program participation in the southwest, west central, and northwest sectors of the state. This can be attributed to those areas of the state having a somewhat higher level of distress, a consideration when determining funding.

INTER-AGENCY & PROGRAM COORDINATION

In order for Commerce to continue to assist communities that need critical improvements to their water and wastewater treatment systems, it is important to work with applicants in identifying complementary funding resources. By helping applicants utilize other available funds to the extent possible, Commerce is more likely to achieve the goal of limiting the Department's participation in projects resulting in funding more applications. One way of accomplishing this will be for Commerce to continue to participate in the Inter-Agency Funding Resources Committee. This involvement ensures the maximum utilization of all resources for local governments, as well as providing local governments information on the most appropriate sources of funding for specific projects.

Another inter-agency committee program staff participate in is Emergency Government Disaster Relief Committee. This committee includes representation from several state agencies and the Federal Emergency Management Administration. The committee is charged with maintaining a service delivery system that ensures a coordinated response to disasters, as well as the coordinated delivery of emergency relief assistance.

Program coordination also involves working with professional organizations whose membership may provide complementary services or whose clients are applicants for CDBG funds. In the final quarter of the 2002-2003 CONPLAN Program Year, a meeting is scheduled with the American Council of Engineering Companies – Wisconsin Chapter to provide a forum to discuss variances in engineering fees, factors taken into consideration by Commerce when scoring Public Facilities and Planning Grant applications, and other program administration issues and concerns. A forum like this not only allow for better coordination in serving a common customer bas, but also allows for "citizen participation" by creating a greater awareness of current community development needs. Additional meetings similar to that described here will be held throughout the course of the coming year.

In addition to inter-agency coordination, Commerce, in its administration of the CDBG program, is cognizant of the State's "Smart Growth" legislation passed in November of 1999. In the CDBG Planning Grant Program, applicants are required to address how the proposed plan relates to any Smart Growth Planning done to date in its community. The efforts of the Department through the Planning Grant program to encourage local governments to complement Smart Growth Planning efforts is anticipated to lead to better coordination of housing, economic growth, land-use, and transportation to name a few. Smart Growth requires all aspects of planning, including housing, community, and economic development, be analyzed in accordance with other local level planning. Matching grants to develop comprehensive plans under Smart Growth are awarded annually from the State Office of Land Information Services.

Wisconsin's planning law requires that a local Comprehensive Plan include a housing element. The comprehensive planning process necessitates that local governments analyze the impact of the policies and regulations of the local government on the development of various types of housing. According to Wisconsin State Statute 66.0295(2)(b), the requirements for a housing element are:

A compilation of objectives, policies, goals, maps and programs of the local governmental unit to provide an adequate supply that meets existing and forecasted housing demand in the local governmental unit. The element shall assess the age, structural value, and occupancy characteristics of the local governmental unit's housing stock. The element shall also identify specific policies and programs that promote the development of housing for residents of the local governmental unit providing a wide range of housing choices that meet the needs of persons of all income levels, age groups, and special needs, and policies and programs that promote the availability of land for the development or redevelopment of low-income and moderate-income housing, and policies and programs to maintain or rehabilitate the local governmental unit's existing housing stock. Proposals for Public Facilities funds to provide infrastructure that serves existing or new low and moderate-income housing are likely to receive more favorable reviews.

Developing Institutional Structure for Program "Marketing"

The Department of Commerce has determined that an adequate institutional structure is in place for its public facilities and economic development programs. The Department of Commerce's training and technical assistance initiatives will continue to strengthen local governments' abilities to carry out their programs. Commerce is in its third year of using videoconferencing for conducting CDBG program information and training sessions. Videoconferencing has been well received by program clientele because it saves on distances traveled to the training sites and for some, saving the expense of overnight lodging. Videoconferencing also allows program staff to more effectively use its time as opposed to being on the road for three to four days to conduct one or two sessions. When using videoconferencing for CDBG program purposes Commerce typically broadcasts to four to five sites.

Commerce's ongoing liaison with the Wisconsin Association of Consulting Engineers (WACE) as well as planned program initiatives helps ensure that local government officials are informed regarding infrastructure engineering practices and professional services procurement. Furthermore, Commerce's Area Development Manager Program helps provide comprehensive technical assistance services in the area of economic development, specifically as it relates to business development, job creation, and training opportunities for low and moderate income persons.

MONITORING

Commerce's practice is to monitor each subrecipient at least once during the term of its contract. Monitoring may be on-site or through the submission of a self-monitoring checklist and supporting documentation, whichever is deemed appropriate or necessary for the subrecipient. Monitoring visits serve 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. Self-monitoring is used with most recipients and is sufficient in those situations where:
 - The recipient has demonstrated experience in administering a CDBG grant;
 - Financial and program progress reports do not indicate problems; and
 - Other variables—such as project size, the federal CDBG compliance provisions invoked, and the quality of additional documentation sent in with the self-monitoring checklist—strongly suggests or verifies compliance with all federal and state CDBG program regulations.
- B. On-site monitoring is scheduled with the subrecipients and they are notified of the records and files to be examined.
- C. A project site visit to verify data and information found in the files and to become more familiar with project impacts may be combined with the monitoring visit.
- D. Department program representative's schedule and conduct monitoring for the projects assigned to them. Typically, the representatives were also involved in drafting the CDBG contract and therefore are the most familiar with the subrecipient and the project.
- E. Department management attempts to minimize the number of different CDBG program representatives assigned to a community to prevent confusion for local officials.
- F. 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.
- G. 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 addressed adequately.
- H. Monitoring correspondence is maintained in the project files in Commerce and at the local level.
- I. When monitoring, the program representative will provide limited technical assistance to help correct problems, provide guidance in addressing difficult situations, as well as recommend actions that achieve greater efficiencies and effectiveness. When technical assistance needs are greater than what the representative can provide in regarding time and expertise, the Department's technical assistance staff will be consulted and asked to provide the appropriate in-depth assistance.
- J. The overall philosophy of a monitoring visit by program representatives is to work with and assist the subrecipient in the implementation and closeout of the assisted project. In this regard, Department staff will attempt to successfully address deficiencies during a visit.

Minority and Women Business Outreach

Commerce follows the following policies and procedures to meet the requirements for minority (MBE) and women's (WBE) business enterprise participation in its CDBG programs.

A. MBE/WBE Outreach Policy

1. It is the ongoing policy of Commerce and 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 and/or state funds.
2. This policy is carried out under the guidance of the Bureau of Minority Business located within Commerce as well as in coordination with various other initiatives that are part of the many forms of economic development assistance offered by the Department.

B. State MBE/WBE Outreach Activities.

1. The State offers a wide 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; directories, handbooks, brochures, 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 and contracting opportunities. 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. Specific actions a local sponsor may take to promote the use of MBEs and WBEs include:
 - 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.
 - e. 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 DHIR.
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.

APPENDIX B: CERTIFICATIONS
DEPARTMENT OF ADMINISTRATION
DEPARTMENT OF COMMERCE

CERTIFICATIONS

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

Affirmatively Further Fair Housing -- The jurisdiction will affirmatively further fair housing, which means it will conduct an analysis of impediments to fair housing choice within the jurisdiction, 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 jurisdiction'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 paragraph 1 and 2 of this anti-lobbying 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 Jurisdiction -- The consolidated plan is authorized under State and local law (as applicable) and the jurisdiction possesses the legal authority to carry out the programs 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.


Signature/Authorized Official

2-12-03
Date

Patrick J. Farley, Administrator
Title

Specific CDBG Certifications

The Entitlement Community certifies that:

Citizen Participation -- It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.105.

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 provide decent housing, expand economic opportunities primarily for persons of low and moderate income. (See CFR 24 570.2 and CFR 24 part 570)

Following a Plan -- It is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD.

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) _____, _____ (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;
3. **Special Assessments.** 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.

The jurisdiction 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 jurisdiction certifies that it lacks CDBG funds to cover the assessment.

Excessive Force -- It has adopted and is enforcing:

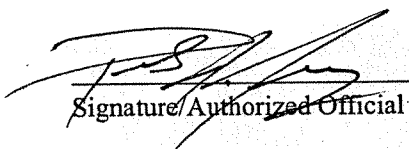
1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and

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 3601-3619), and implementing regulations.

Lead-Based Paint -- Its activities concerning lead-based paint will comply with the requirements of 24 CFR Part 35, subparts A, B, J, K and R;

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

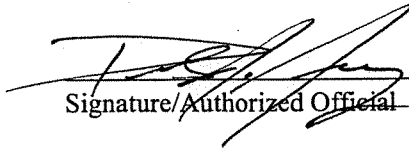

Signature/Authorized Official 2-12-03
Date

Patrick J. Farley, Administrator
Title

**OPTIONAL CERTIFICATION
CDBG**

Submit the following certification only when one or more of the activities in the action plan are designed to meet other community development needs having a particular urgency as specified in 24 CFR 570.208(c):

The grantee hereby certifies that the Annual Plan includes one or more specifically identified CDBG-assisted activities which 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 to meet such needs.

 2-12-03
Signature/Authorized Official Date

Patrick J. Farley, Administrator
Title

Specific HOME Certifications

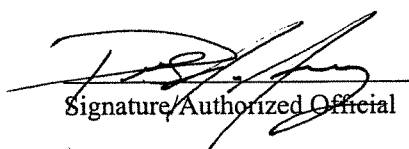
The HOME participating jurisdiction certifies that:

Tenant Based Rental Assistance -- If the participating jurisdiction intends to provide tenant-based rental assistance:

The use of HOME funds for tenant-based rental assistance is an essential element of the participating jurisdiction's consolidated plan for expanding the supply, affordability, and availability of decent, safe, sanitary, and affordable housing.

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, it 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;


Signature/Authorized Official

2-12-03
Date

Patrick J. Farley, Administrator
Title

ESG Certifications

The Emergency Shelter Grantee certifies that:

Major rehabilitation/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 jurisdiction plans to use funds for purposes less than tenant-based rental assistance, the applicant 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 -- 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.

Matching Funds -- It will obtain matching amounts required under §576.71 of this title.

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, operating facilities, and providing services assisted through this program.

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


Signature/Authorized Official

2-12-03
Date

Patrick J. Farley, Administrator
Title

HOPWA Certifications

The 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 that program shall be operated for the purpose specified in the plan:

1. For at least 10 years in the case of assistance involving new construction, substantial rehabilitation, or acquisition of a facility,
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

2-12-03
Date

Patrick J. Farley, Administrator
Title

APPENDIX TO CERTIFICATIONS

INSTRUCTIONS CONCERNING LOBBYING AND DRUG-FREE WORKPLACE REQUIREMENTS:

A. Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

B. Drug-Free Workplace Certification

1. By signing and/or submitting this application or grant agreement, the grantee is providing the certification.
2. The certification is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, HUD, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.
3. Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.
4. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio stations).
5. If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph three).
6. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (Street address, city, county, state, zip code)

Dept. of Administration, 101 E. Wilson St., Madison
Dept. of Commerce, 201 W. Washington Ave., Madison

Check if there are workplaces on file that are not identified here.

The certification with regard to the drug-free workplace is required by 24 CFR part 24, subpart F.

7. Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules:

"Controlled substance" means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C. 812) and as further defined by regulation (21 CFR 1308.11 through 1308.15);

"Conviction" means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

"Criminal drug statute" means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

"Employee" means the employee of a grantee directly engaged in the performance of work under a grant, including: (i) All "direct charge" employees; (ii) all "indirect charge" employees unless their impact or involvement is insignificant to the performance of the grant; and (iii) temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of subrecipients or subcontractors in covered workplaces).

APPENDIX C: RISK EVALUATION FOR GRANTEE MONITORING FOR
THE HOMELESS, HOME AND CDBG, CDBG – EAP PROGRAMS AND
LHOG

RISK EVALUATION FOR GRANTEE MONITORING REVIEWS

Monitoring reviews of Homeless Program (HP) grantees in DHIR will be determined based on the criteria and measurements outlined below.

RISK MEASUREMENT FACTORS						
CRITERIA	0	5	10	15	15	15
Date of last monitoring review (on-site visit or desk review)	<input type="checkbox"/> On-site visit within past 12 months <input type="checkbox"/> Desk review within past 12 months	<input type="checkbox"/> On-site visit 1 - 2 years ago <input type="checkbox"/> Desk review 1 - 2 years ago	<input type="checkbox"/> On-site visit 2 - 4 years ago <input type="checkbox"/> Desk review 2 - 4 years ago	<input type="checkbox"/> On-site visit 4+ years ago or never <input type="checkbox"/> Desk review 4+ years ago	15	15
Level of issues/concerns/findings during last review	<input type="checkbox"/> No issues, concerns, or findings	<input type="checkbox"/> Issues only	<input type="checkbox"/> Concerns and/or issues	<input type="checkbox"/> Findings, concerns and/or issues	15	15
Number of HP awards	<input type="checkbox"/> One	<input type="checkbox"/> Two	<input type="checkbox"/> Three	<input type="checkbox"/> Four +	15	15
Annual total dollar amount of HP grant awards	<input type="checkbox"/> < \$7,500	<input type="checkbox"/> \$7,501 - \$25,000	<input type="checkbox"/> \$25,001 - \$75,000	<input type="checkbox"/> \$75,001 +	15	15
Level of concern with program/expenditure reports	<input type="checkbox"/> No concerns: reports filed timely and accurately	<input type="checkbox"/> Limited: occasional errors &/or late reports	<input type="checkbox"/> Moderate: consistent sm.-med. errors &/or HP staff must call about reports	<input type="checkbox"/> Prominent: consistent lg. errors &/or HP staff must request reports	15	15
Grantee's level of program understanding	<input type="checkbox"/> On-going grantee: received funds at least 2 of 3 years	<input type="checkbox"/> Intermittent grantee: No funds received in prior 2 funding cycles	<input type="checkbox"/> Occasional grantee: Funds received at least 3+ years prior	<input type="checkbox"/> First time grantee: Never received HP funds before	15	15
Level of participation in DHIR sponsored training, meetings & conferences	<input type="checkbox"/> Regular attendance (attendance level = 80% +)	<input type="checkbox"/> Intermittent attendance (attendance level = 50 - 75%)	<input type="checkbox"/> Occasional attend. (attendance level = 25 - 50%)	<input type="checkbox"/> Limited attendance (attendance level = 0 - 25%)	15	15

TOTAL POINTS

- 0 - 15 points: low risk for monitoring
- 20 - 35 points: complete desk review during current contract period
- 40 - 55 points: complete on-site visit during current contract period
- 60 + points: high risk; complete on-site visit as soon as schedule permits

Monitoring Plan - Risk Analysis -- CDBG and CDBG-EAP

CDBG Program grantees will be monitored once per contract whenever practicable. CDBG grantee monitoring will be based on the following scale and risk factors as calculated 12 months into each contract:

Administrator has a history of good program performance = 1 point

Administrator has a history of average or unknown performance = 3 points

Administrator has a history of poor performance = 5 points

New Program Administrator = 2 points

Program with non-rehab projects = 2 points

Quality/accuracy of required reports and financial documents:
Good = 1 point, Fair = 3 points Poor = 5 points

Project administration history:
Good = 1 point, Fair = 3 points Poor = 5 points

No on-site monitoring of grantee within previous 18 months = 2 points

Grantees with the highest point value will be placed highest on the on-site monitoring priority list.

Grantees with low to mid-range points will be considered for desk monitoring. Desk monitoring will consist of a review of financial journals and supporting documentation and a minimum of 3 project files chosen at random by the program manager. The program manager will conduct a minimum of 3 telephone interviews with beneficiaries chosen from a telephone listing of all fund recipients as provided by the grantee.

All first-time CDBG grantees will receive at least one technical assistance visit during the first six months of their contract.

Monitoring Plan - Risk Analysis -- LHOG

LHOG Program grantees will be monitored once per contract whenever practicable. LHOG grantee monitoring will be based on the following scale and risk factors as calculated 12 months into each contract:

~~~~~  
Administrator has a history of good program performance = 1 point

Administrator has a history of average or unknown performance = 3 points

Administrator has a history of poor performance = 5 points

New Program Administrator = 2 points

Quality/accuracy of required reports and financial documents:  
Good = 1 point,      Fair = 3 points      Poor = 5 points

Project administration history:  
Good = 1 point,      Fair = 3 points      Poor = 5 points

No on-site monitoring of grantee within previous 18 months = 2 points

~~~~~  
Grantees with the highest point value will be placed highest on the on-site monitoring priority list.

Grantees with low to mid-range points will be considered for desk monitoring. Desk monitoring will consist of a review of financial journals and supporting documentation.

All first-time LHOG grantees will receive at least one technical assistance visit during the first six months of their contract.

Monitoring Plan - Risk Analysis -- HOME -HBR and HOME-HRA

HOME Program grantees will be monitored once per contract whenever practicable. HOME - Homebuyer and HOME -HRA grantee monitoring will be based on the following scale and risk factors as calculated 12 months into each contract:

Administrator has a history of good program performance = 1 point

Administrator has a history of average or unknown performance = 3 points

Administrator has a history of poor performance = 5 points

New Program Administrator = 2 points

Program with non-rehab projects = 2 points

Quality/accuracy of required reports and financial documents:

Good = 1 point, Fair =3 points Poor = 5 points

Project administration history:

Good = 1 point, Fair =3 points Poor = 5 points

No on-site monitoring of grantee within previous 18 months = 2 points

Grantees with the highest point value will be placed highest on the on-site monitoring priority list.

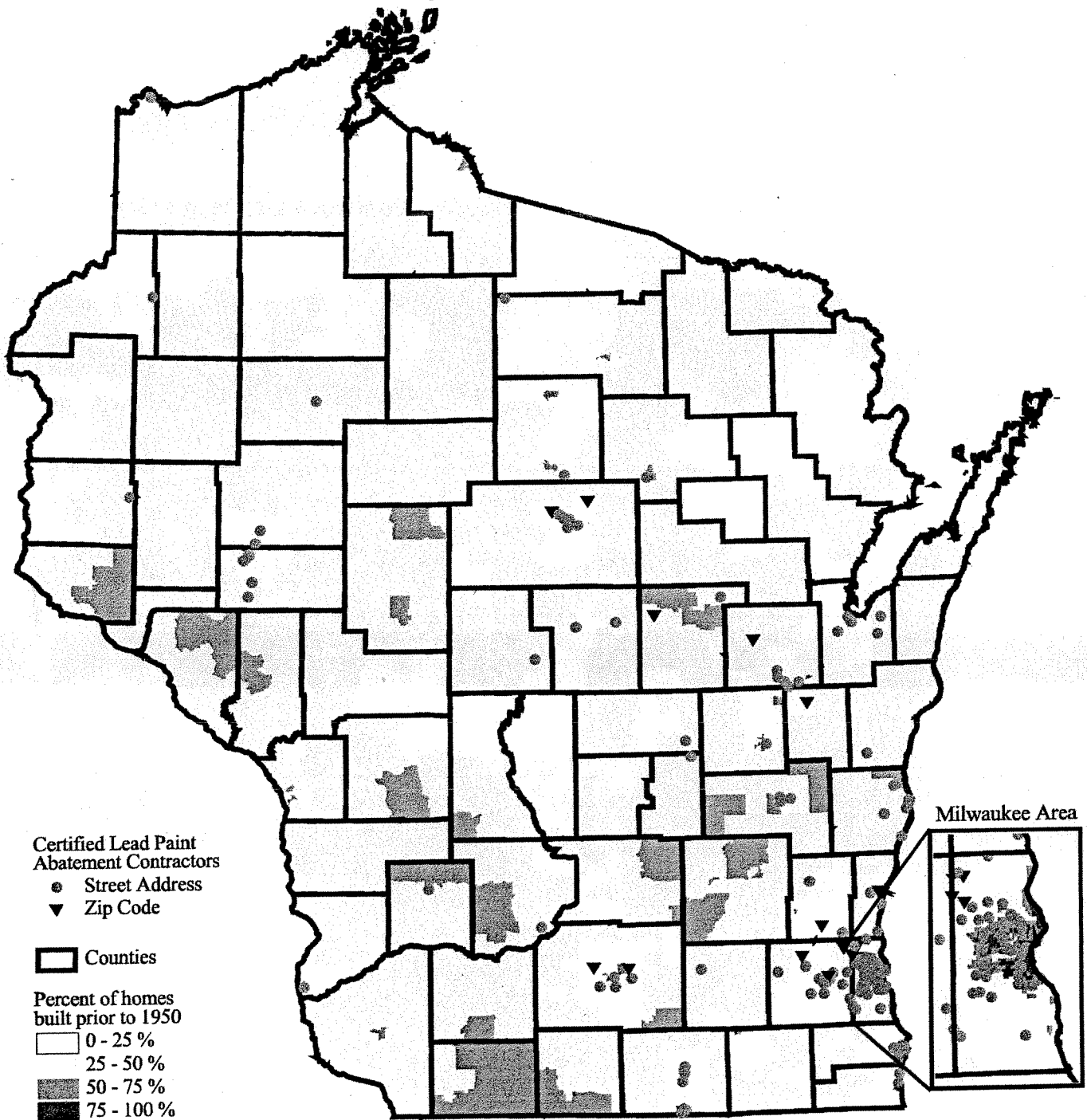
Grantees with low to mid-range points will be considered for desk monitoring. Desk monitoring will consist of a review of financial journals and supporting documentation and a minimum of 3 project files chosen at random by the program manager. The program manager will conduct a minimum of 3 telephone interviews with beneficiaries chosen from a telephone listing of all fund recipients as provided by the grantee.

All first-time HOME - Homebuyer and HOME-HRA grantees will receive at least one technical assistance visit during the first six months of their contract.

APPENDIX D: PERCENT OF HOMES BUILT PRIOR TO 1950

Percent of homes built prior to 1950

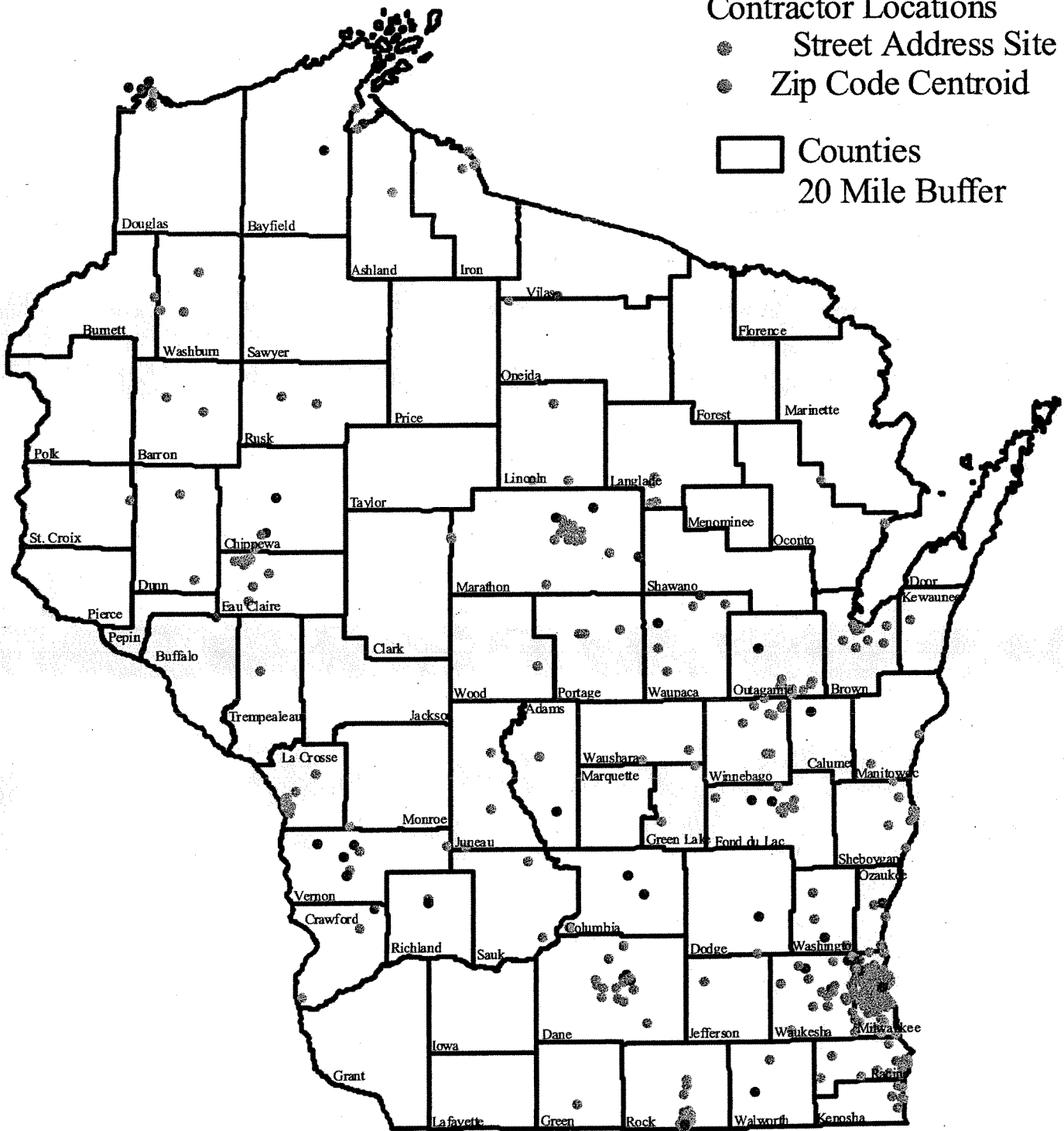
Data derived from 2000 U.S. Census Bureau statistics.



APPENDIX E: LEAD BASED PAINT CONTRACTORS AND
COMMUNITIES

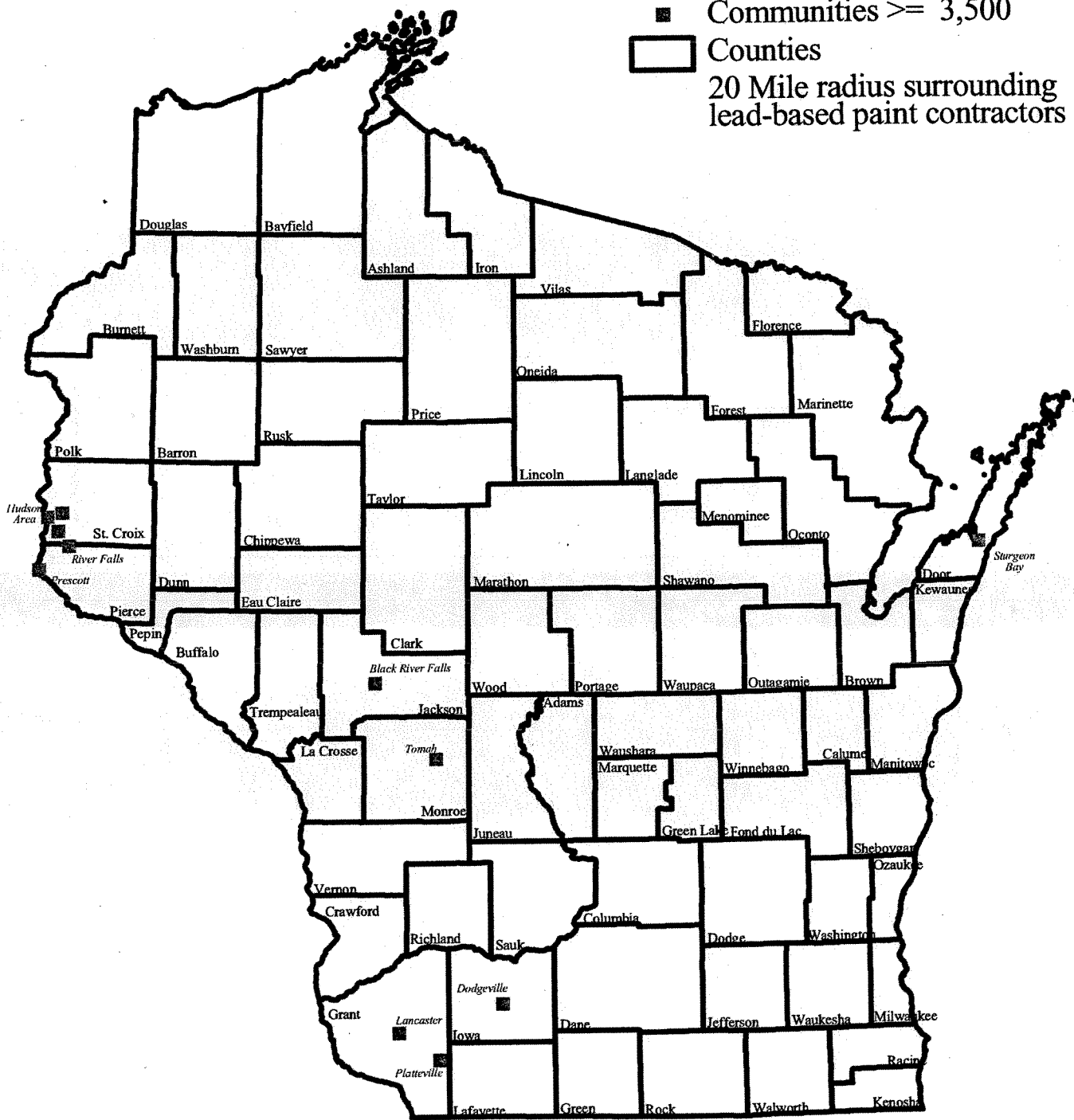
Certified Lead-based Paint Contractors as of January 22, 2003

- Contractor Locations
- Street Address Site
 - Zip Code Centroid
- Counties
20 Mile Buffer



Communities with a population greater than 3,500 that are not within 20 miles of a lead-based paint contractor as of January 22, 2003

- Communities \geq 3,500
- Counties
- 20 Mile radius surrounding lead-based paint contractors



APPENDIX F: POPULATION DENSITY BY CENSUS BLOCK GROUP

ServicePoint Partner Locations

● Service Point Partners

Block Group Population Density

Low Density



High Density

