

ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

1. Type of Estimate and Analysis

Original Updated Corrected

2. Administrative Rule Chapter, Title and Number

Adm 93 Small Cities Community Development Program for Community and Economic Development

3. Subject

Community Development Block Grant Program

4. Fund Sources Affected

GPR FED PRO PRS SEG SEG-S

5. Chapter 20, Stats. Appropriations Affected

20.505 (7)(a), 20.505(7)(m), 20.505(n)

6. Fiscal Effect of Implementing the Rule

No Fiscal Effect Increase Existing Revenues Increase Costs
 Indeterminate Decrease Existing Revenues Could Absorb Within Agency's Budget
 Decrease Cost

7. The Rule Will Impact the Following (Check All That Apply)

State's Economy Specific Businesses/Sectors
 Local Government Units Public Utility Rate Payers
 Small Businesses (if checked, complete Attachment A)

8. Would Implementation and Compliance Costs Be Greater Than \$20 million?

Yes No

9. Policy Problem Addressed by the Rule

Documenting compliance with federally required rules on the Community Development Block Grant Program.

10. Summary of the businesses, business sectors, associations representing business, local governmental units, and individuals that may be affected by the proposed rule that were contacted for comments.

Will contact and complete a full summary of information provided by units of local government, consultants and past grantees.

11. Identify the local governmental units that participated in the development of this EIA.

Will identify following the full economic impact analysis

12. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred)

Overall federal funding remains consistent. The rule may impact certain units of general local government, but fiscal impact can not be predicted.

13. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule

The benefit of implementing the rule, is State's ability to document compliance with federally required rules on the Community Development Block Grant Program.

14. Long Range Implications of Implementing the Rule

To maintain compliance with federal regulations.

15. Compare With Approaches Being Used by Federal Government

N/A

16. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

Illinois- Eligible applicants must have populations of 50,000 or less and must not be located in an urban county or the 38 cities that receive federal "entitlement" funds. Illinois allows two or more municipalities with similar issues to file a joint application, provided they show a joint effort is required to solve the stated problem. Economic Development may be submitted on an "as-need" basis, there are no deadlines. Applications for both 'housing stock upgrades' and public

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facilities do have deadlines. Another DCEO funding category with no deadline is the “Mobility and Accessibility Rehabilitation Supplement,” which provides funding for housing improvement to aid the physically impaired. Municipalities are allowed only one application per category, per program year. All funding provided by CDBG for housing renovation must be specifically for single-family owner occupied.

Iowa- Eligible applicants are municipalities and they may apply directly or on behalf of a sub-recipient and they may file a joint application with another eligible applicant. All applications must include a housing needs assessment; all must demonstrate sustainable community activities. In addition, all award amounts are negotiable, and no project shall exceed 24 months in length. Applicants may submit multiple applications for each of the multiple categories of activity. CBDG funds are distributed into five separate funds, each with their own application rules. Categories include: water and sewer set aside, housing fund, job creation (ED), ‘contingency,’ and the ‘competitive program,’ and each category contains specific rules. The competitive program limits the grant amount to a proportion relative to the applying municipality’s size.

Michigan-. Eligible applicants have less than 50,000 people and are non-entitlement communities. There are four distinct programs that are similar to Wisconsin’s CDBG programs, these are ‘Infrastructure,’ ED, Planning, and Blight Elimination. Minimum Leverage Ratios are required of the majority of activities.. Blight elimination projects must provide certification from a Licensed Building Inspector that the project sight meets the definition of blight. Economic Development is subject to strict underwriting guidelines that require projects submit cost quotes from independent third parties. Criminal background checks are also required under this category. All projects must be completed within 24 months from the date the funding is awarded. Downtown development is also a distinct category. Downtown development provides funding for façade improvements for small rural communities, funding is also provide for the acquisition, and renovation of a historic “signature building,” in small communities.

Minnesota- State of Minnesota CDBG is part of larger program known as “Small Cities Development Program.” The state provides CBDG funding to Housing grants, as well as PF grants, and “Comprehensive Grants,” which may be used for Housing, PF, or Economic Development. Minnesota does not appear to set aside money for emergency or contingency grant programs. Minnesota requires any single family rehabilitation projects whose loan comes from CDBG Housing Grant program to comply with state building codes, and a state defined single family rehabilitation standard. Minnesota also requires detailed progress reports on October 15th of each year, as well as an ‘anti-displacement’ plan and the submission of a “drug free work place” plan to DEED. Money provided for affordable housing construction must provide a rental market analysis and ensure fair market rents.

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ATTACHMENT A

1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

n/a

2. Summary of the data sources used to measure the Rule's impact on Small Businesses

n/a

3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

- Less Stringent Compliance or Reporting Requirements
 - Less Stringent Schedules or Deadlines for Compliance or Reporting
 - Consolidation or Simplification of Reporting Requirements
 - Establishment of performance standards in lieu of Design or Operational Standards
 - Exemption of Small Businesses from some or all requirements
 - Other, describe:
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4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses

n/a

5. Describe the Rule's Enforcement Provisions

n/a

6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

- Yes No
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