

CR 90-113

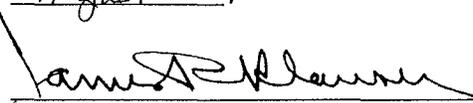
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STATE OF WISCONSIN)
) SS.
DEPARTMENT OF ADMINISTRATION)

I, James R. Klauser, Secretary of the Department of Administration and custodian of the official records, certify that the annexed rules relating to the Housing Cost Grants Program were duly approved and adopted by this department on August 24, 1990. I further certify that this copy has been compared by me with the original on file in this department and that it is a true copy of the original, and of the whole of the original.

IN TESTIMONY WHEREOF, I have hereunto set my hand at 101 South Webster Street in the city of Madison, this 24th day of August, 1990.


James R. Klauser, Secretary

10-1-90

ORDER OF THE DEPARTMENT OF ADMINISTRATION

Order of the Wisconsin Department of Administration creating Chapter Adm 18 of the Wisconsin Administrative Code relating to Housing Cost Grant awards to community-based organizations, public housing authorities, and local governments, pursuant to ss 16.004(1) and 227.11, Stats., and implementing ss. 16.33 and 16.34, Stats.

Analysis Prepared by the Department of Administration

1989 Wisconsin Act 31, which was enacted on August 3, 1989, and published on August 8, 1989, created the Housing Cost Grants Program. The purpose of this order is to supplement, implement, and interpret program statutes.

In order to implement the Housing Cost Grants Program, there is a need to clarify certain terms stated in the statutes as well as to expound on certain concepts. The first section of the administrative rules defines important program terms, such as "low income," "moderate income," and "rent."

The second important function to be accomplished by these administrative rules is to clarify the parameters of the grant awards. The rules set forth maximum grant awards. They explain how the awards will be distributed geographically. They also set guidelines that will be used in evaluating grant applications.

SECTION 1: CHAPTER Adm 18 is created to read

CHAPTER Adm 18

HOUSING COST GRANTS

Adm 18.01 PURPOSE AND AUTHORITY

This chapter is promulgated under the authority of ss. 16.004(1) and 227.11, Stats., to implement ss. 16.30, 16.33, and 16.34, Stats.

Adm 18.02 DEFINITIONS

In this chapter:

- (1) "Administrative cost" means any cost incurred by the eligible applicant in the course of operating this program

that is not directly expended for payments to or on behalf of participating households.

- (2) "Cooperative housing" means housing owned by a corporation where the stockholders are entitled to occupancy of real estate (i.e., apartments) through proprietary leases or other like arrangements.
- (3) "Department" means the department of administration.
- (4) "Eligible applicant" means any of the following: the governing body of a county, city, village or town; the elected governing body of a federally recognized American Indian tribe or band in this state; a housing authority; a nonstock, nonprofit corporation organized under ch. 181; a cooperative organized under ch. 185, if the articles of incorporation or bylaws of the cooperative limit the rate of dividend that may be paid on all classes of stock; a religious society organized under ch. 187.
- (5) "Handicapped" means, with respect to a person: a physical or mental impairment which substantially limits one or more of such person's major life activities; or a record of having such an impairment; or being regarded as having such an impairment, but such term does not include current, illegal use of or addiction to alcohol or a controlled substance as defined in section 102 of the Controlled Substances Act 21 U.S.C. 802.
- (6) "Household" means an individual or individuals occupying or planning to occupy a residence, or a resident of a congregate or group living facility.
- (7) "Low income" means gross annual household income at or below 50 percent of the county median income adjusted for household size.
- (8) "Moderate income" means gross annual household income of greater than 50 percent but not more than 80 percent of the county median income adjusted for household size.

NOTE: County median income tables are published annually by the U.S. department of housing and urban development.

- (9) "Rent" means the cost paid by a non-owner household occupying a premises for occupancy privileges and includes: monthly rent payments; security deposit; first and last month's rent; escrows that will be applied toward a down payment on the purchase of a dwelling; or membership fees and carrying charges associated with units leased from a housing cooperative or a nonprofit corporation that develops, owns, or manages housing with a significant degree of resident involvement.

Adm 18.03 DISTRIBUTION OF FUNDS

- (1) Grant awards shall be made to eligible applicants to defray housing costs as defined in s. 16.30(3), Stats., of low- and moderate-income households.
- (2) Grant awards shall be evenly distributed among three categories:
 - (a) To eligible applicants proposing to use these funds to serve eligible households in Milwaukee, Ozaukee, Washington, or Waukesha counties. One million dollars of the funds allocated to this category during the 1989-91 biennium shall be provided in the form of a block grant to the city of Milwaukee, as a designated agent, to be used in an area or areas of high housing need, as determined by the city of Milwaukee and the department. This area shall be referred to as a housing investment zone.
 - (b) To eligible applicants proposing to use these funds to serve eligible households in Brown, Calumet, Chippewa, Dane, Douglas, Eau Claire, Kenosha, La Crosse, Marathon, Outagamie, Racine, Rock, St. Croix, Sheboygan, or Winnebago counties.
 - (c) To eligible applicants proposing to use these funds to serve eligible households in all other Wisconsin counties.
- (3) The department reserves the right to transfer not more than 5% of the funds in any one category to another category, based on the following:
 - (a) Number of applications submitted in each category.
 - (b) Quality of applications submitted in each category based upon evaluation criteria set forth in s. Adm. 18.04.

Adm 18.04 EVALUATION CRITERIA

Applications shall be compared, reviewed, and rated by the department based on statutory requirements and on the following criteria:

- (1) The percentage of program benefit to households of the lowest income levels.
- (2) The extent to which existing or potential residents are involved in the planning, development, or management of the housing activity.

- (3) The extent to which innovative and cost effective strategies for providing housing are to be utilized.
- (4) The amount of other funds or in-kind contributions that will be made available to the proposed housing program.
- (5) The extent to which counseling or other services are provided from non-department sources as a part of the proposed housing program.
- (6) The percentage of program benefits to households residing or planning to reside in federally designated target areas as identified in 26 CFR 6A 103A-2 (6) (B), reinvestment areas identified under s. 66.465 Stats., or Native American Indian reservations.
- (7) The reasonableness of administrative cost requested from the department.
- (8) The extent to which the programs are proposed to be continued or the tenants are proposed to be assisted after department funds have been expended.
- (9) The extent to which benefits would be provided to the types of households identified in s. 16.33(2) Stats., in addition to:
 - (a) Households in which at least one member is 62 years of age or older.
 - (b) Low-income households.
 - (c) Households which immediately prior to receiving benefit under this program had been paying more than 50% of their income for rent and utility-related costs.
 - (d) Households in which at least one member is handicapped.
 - (e) Households currently occupying housing which does not meet HUD Section 8 standards set forth in section 8 (o) of 42 U.S.C. 1347 f(o).
- (10) The experience, track record, and quality of management of the applicant in the area of housing.
- (11) The extent to which the proposal involves partnerships and establishes formal and informal linkages with other programs.

Adm 18.05 GRANT AWARDS

- (1) The maximum grant award that any one eligible applicant may receive is \$1 million. The actual amount that an eligible applicant may request is determined by multiplying the number of households to be directly served by the grant award times the average cost of the housing benefit provided, plus the cost of administering the program.
- (2) After a grant award is made, a contract agreement shall be executed between the state and the grantee and shall include information required by ss. 16.33(1)(b) and ss. 16.33(1)(c), and 16.33(2)(a), Stats.
- (3) Grant awards may not be used:
 - (a) For capital improvements to dwelling units;
 - (b) To directly pay for development costs;
 - (c) To directly pay the principal and interest on a construction loan or a rehabilitation loan;
 - (d) To replace existing programs or funding providing this type of assistance;
 - (e) To assist individuals who have assets sufficient to meet their own housing needs;
 - (f) To assist individuals who will, after receiving benefits under this program, continue to live on premises that are not decent, safe, and sanitary;
 - (g) To assist individuals living in nursing homes, medical, psychiatric, or penal institutions;
 - (h) To assist individuals living on premises that are not modest in design. Amenities must be limited to those amenities that are generally provided in unassisted, decent, safe, and sanitary housing for lower income families in the market area;
 - (i) To assist individuals who would be paying housing costs that are not reasonable in relation to housing costs currently being charged in the market area.
- (4) Except for good cause shown, not more than 10% of a grant award may be used by the grantee for administrative costs.
- (5) Grant funds shall not be used for costs incurred prior to the start date of a grant contract.
- (6) Funds granted or loaned by eligible applicants to eligible households under this program shall be provided to

households which do not exceed low-income or moderate-income guidelines. For households that have at least one member who is handicapped with recurring medical costs or support costs directly related to the handicap, the eligible applicant shall deduct the amount by which those expenses exceed 3% of the household's monthly income from the household's monthly income for purposes of determining eligibility.

Adm 18.06 METHOD OF PAYMENT

Eligible applicants may make payments in any of the following manners:

- (1) Directly to an eligible household;
- (2) To a provider of housing or housing-related services on behalf of an eligible household.

Adm 18.07 FEES FOR COOPERATIVE HOUSING

The department may reimburse the manager of cooperative housing for any of the following fees: membership fees; carrying charges; principal and interest; mortgage insurance; property insurance; utility-related costs; property taxes; replacement reserves; and operating and maintenance expenses, provided such reimbursement directly reduces the monthly housing cost of eligible households.

This rule shall take effect as provided in s. 227.22(2) (intro.), Stats.

Dated: August 24, 1990

DEPARTMENT OF ADMINISTRATION


James R. Klauser, Secretary

Tommy G. Thompson
Governor
James R. Klauser
Secretary



Mailing Address:
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State of Wisconsin
Department of Administration

101 South Webster Street • Madison, Wisconsin

August 24, 1990

Gary Poulson
Assistant Revisor of Statutes
Suite 702
30 West Mifflin Street
Madison, WI 53703

Douglas LaFollette
Secretary of State
10th Floor
30 West Mifflin St.
Madison, WI 53703

Dear Messrs. Poulson and LaFollette:

TRANSMITTAL OF RULE ADOPTION

CLEARINGHOUSE RULE NO.: CR 90-113

RULE NO.: Chapter Adm 18

RELATING TO: Wisconsin Housing Cost Grants

Pursuant to s. 227.20, Stats., agencies are required to file a certified copy of every rule adopted by the agency with the offices of the Secretary of State and the Revisor of Statutes.

At this time, the following material is being submitted to you:

1. Certification.
2. Order of Adoption.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "James R. Klauser".

James R. Klauser
Secretary