

DEPARTMENT OF DEVELOPMENT

Chapter DOD 6

WISCONSIN DEVELOPMENT FUND

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Note: Chapter DOD 6 was repealed and recreated by emergency rule effective 5-18-83.

Subchapter I — Annual Housing and Public Facilities Competition

DOD 6.01 Purpose. The purpose of subchapters I, II and III is to set forth the criteria the department will use in administering the federal funds in 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.

DOD 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.

DOD 6.03 Definitions. In subchs. I and II:

(1) "Annual housing and public facilities competition" means the single annual receipt and review of applications for housing activities and public facility improvements as provided in subch. I of this chapter.

(1f) "Application" means a request for funding for either housing or public facilities projects as provided in subch. I of this chapter. A community may submit one application for housing and one application for public facilities.

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

(2m) "Economic development program" means the continuous receipt and review of applications for economic development projects as provided in subch. II of this chapter.

(3) "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.

(4) "Household in need of housing assistance" means a housing unit which houses a family with a household income below 80% of the median income for the area and which either lacks adequate plumbing facilities, has more than 1.25 persons per room, rents for a substantial percentage of the income of the family which occupies the unit or, if owner occupied, is aged and has a low estimated market value.

(5) "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 municipality for all purposes less general property tax relief payments divided by the estimated market value of taxable property in the municipality.

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

(9) "Per capita income" means the average income of all persons residing in the municipality.

(10) "Percentage of persons in poverty" means the percent of persons residing in the municipality with incomes below the poverty level for the area as identified by the U.S. department of housing and urban development.

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

(12) "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.

(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.

(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, 1988, No. 387, eff. 4-1-88.

DOD 6.115 Benefit to low- and moderate-income persons. The percentage of the requested funds to be used for the direct benefit of low- and moderate-income people shall not be less than the percentage specified in the application manual by the department.

History: Cr. Register, November, 1983, No. 335, eff. 12-1-83; emerg. r. and recr., eff. 10-6-87; r. and recr. Register, March, 1988, No. 387, eff. 4-1-88.

DOD 6.12 Distribution of funds. (1) MAXIMUM GRANT SIZE. The maximum amount available is \$750,000 to an applicant that successfully addresses one program impact category. The maximum amount available to an applicant that successfully addresses both program impact categories is \$1 million, with not more than \$750,000 for either impact category.

(2) **REPORT TO THE LEGISLATURE.** The department shall report annually to the chairs of the economic development standing committees of the Legislature on the status of the program.

History: Cr. Register, February, 1982, No. 314, eff. 3-1-82; am. (2), Register, November, 1983, No. 335, eff. 12-1-83; emerg. r. and recr. eff. 10-6-87; r. and recr. Register, March, 1988, No. 387, eff. 4-1-88.

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, 1988, No. 387, eff. 4-1-88.

Subchapter II — Economic Development Program

DOD 6.14 Applicability. Sections DOD 6.01, 6.02, 6.03 (2), (2m), (5), (8), (16) and the provisions of this subchapter apply to the 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.

DOD 6.15 Scoring system. The allocation of federal Wisconsin development fund monies distributed under the economic development program shall be based upon the rating of applications against minimum requirements contained in s. DOD 6.16.

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.

DOD 6.16 Minimum requirements. All applicants shall meet each of the following minimum requirements:

(1) **COMMUNITY DEVELOPMENT PLAN.** An applicant must have a community development plan, as described in the housing and community development act of 1974, 42 USC 5306 (d) (2) (D).

(2) **LOW- AND MODERATE-INCOME BENEFIT.** The percentage of all jobs created and retained by a project that are available to low- and moderate-income people shall exceed the percentage specified in the application manual prepared by the department.

(3) **PRIVATE FUNDS LEVERAGED.** An applicant must leverage a minimum of one dollar of private funds for each dollar of Wisconsin development funds requested. An applicant shall leverage one dollar of private funds for each dollar of Wisconsin development funds requested for the working capital portion of a project.

(4) **COST PER JOB CREATED OR RETAINED.** The cost for each job that is created or retained shall not exceed \$20,000 in Wisconsin development funds.

(5) **DEMONSTRATION OF NEED.** To demonstrate need, an application shall show evidence that the project on behalf of which the grant is requested is not eligible for financing from any other source on reasonably equivalent terms and that it requires the proposed assistance to enable it to be competitive within the industry to which it belongs.

(6) **FINANCIAL FEASIBILITY AND BUSINESS VIABILITY.** Applicants shall demonstrate that the business that will receive funds is viable and has the economic ability to repay the funds.

(7) **EQUITY INVESTMENT.** The department may require a minimum equity investment for a project.

History: Cr. Register, November, 1984, No. 347, eff. 12-1-84; am. (4) (intro.), (5) (intro.), (6) (intro.), (7) (intro.) and (8) (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.

DOD 6.17 Application manual. The department shall annually prepare an application manual which it may update as needed. The manual will contain the application procedures, requirements and instructions for funding under the 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.

DOD 6.18 Distribution of funds. (1) Out of each annual allotment of federal Wisconsin development funds, the department may set aside between 23% and 53% for the economic development program. The department shall announce the amount of the set aside not later than August 1 of the preceding year. The department shall report semiannually to the chairs of the economic development standing committees of the legislature on the status of the program.

(2) The maximum amount available to any business under the economic development program is \$750,000. The maximum amount available to any community is \$1.5 million per calendar year.

(3) Each applicant may retain a cumulative amount of program income from all grants awarded after January 1, 1987 subject to subs. (4) and (5) for the purpose of establishing an economic development revolving loan fund. The fund must comply with requirements established by the federal government and the department.

for use in support of other applications to the Wisconsin development fund. These restrictions apply only to jobs described in the project application provided in s. DOD 6.84, and apply only for a term subject to negotiation between the successful applicant and the department.

History: Cr. Register, March, 1988, No. 387, eff. 4-1-88.

DOD 6.87 Reporting and auditing. Successful applicants will be required to provide the department periodic financial and program reports. A financial audit and final program report shall be submitted at the end of the contract. The cost of the audit may be covered by the grant or loan. The financial reports, audit and the program reports shall be submitted to the department by a date specified in the contract. The financial audit and the program reports become the property of the department and are open to public inspection.

History: Cr. Register, March, 1988, No. 387, eff. 4-1-88.

DOD 6.88 Administration. The department shall be responsible for soliciting applications, reviewing applications, making recommendations to the board on the disposition of applications, authorizing payments and otherwise implementing contractual obligations entailed in grants or loans made under the terms of this subchapter, monitoring project activities, receiving and reviewing the financial reports and program reports submitted under s. DOD 6.87, and for collecting any repayments of grants and loans from successful applicants. The department shall report semiannually to the chairs of the economic development standing committees of the legislature on the status of the program.

History: Cr. Register, March, 1988, No. 387, eff. 4-1-88.

DOD 6.89 Board operations. The board shall consider the recommendations of the department relating to the criteria under s. DOD 6.85. A majority of the members of the board shall approve an application before the department can enter into a contract under s. DOD 6.86. The department shall maintain records of the board's proceedings and provide other staff support as may be necessary to the board.

History: Cr. Register, March, 1988, No. 387, eff. 4-1-88.