



## Legislative Fiscal Bureau

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August 27, 2009

TO: Members  
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Commerce: Governor's Section 13.10 Request for the Use of Federal Economic Stimulus Funding for Lead Hazard Control Grants -- Agenda Item III

### REQUEST

The Governor submitted a request dated August 14, 2009, to the Joint Committee on Finance for the allocation and expenditure of \$1,656,000 in 2009-10 in federal economic stimulus funds for a lead hazard control program administered by the Department of Commerce. The funds would be allocated in appropriation s. 20.143 (2)(o) for grants.

### BACKGROUND

The U.S. Department of Housing and Urban Development (HUD) awarded Commerce \$3,000,000 in federal American Recovery and Reinvestment Act of 2009 (ARRA) funding for the Lead Based Paint Hazard Control Grant Program (LEAD program). LEAD program funds are intended to control or eliminate lead-based paint hazards from homes occupied by low-income families with children under age six. The grant covers the three-year period from April 15, 2009, through April 14, 2012.

On August 4, 2009, the Joint Committee on Finance approved the allocation and expenditure of \$1,344,000 of the ARRA grant, as follows: (a) \$200,000 for administration; (b) \$550,000 for the City of Appleton; (c) \$264,000 for the Chippewa County Housing Authority; and (d) \$330,000 for the City of La Crosse. On August 4, 2009, the Committee deferred approval of the remaining \$1,656,000, and specified the Governor could submit a request for the remaining funds when grant recipients are identified.

The Governor's current request indicates that specific recipients of the remaining grant funds have not been identified. The request further indicates that Commerce plans to award the

remaining funds to local governments, and to housing, weatherization, and community action agencies across the state. The Department announced the application process on its website on August 18, 2009. Applications for funding are due August 31, 2009. Commerce also sent notification emails to approximately 75 organizations from all areas of the state that receive funding under the federally-funded small cities CDBG (Community Development Block Grant) and HOME (Home Investment Partnerships) programs. Commerce anticipates that most or all of the recipients of LEAD program grants will be current recipients of CDBG or HOME funds. These programs provide funding for rehabilitation of owner-occupied and rental housing for lower-income households throughout the state. They include municipalities other than the Cities of Milwaukee, Racine and Sheboygan, and the Counties of Kenosha and Rock, which received separate federal LEAD program grants from HUD. The likely universe of potential grant recipients is shown in the attachment.

Commerce indicates the application process will be a competitive one. The Department plans to judge applications based on the applicant's: (a) experience in implementing CDBG and HOME housing rehabilitation programs, including implementation of lead hazard control programs and coordination with local health departments that certify local contractors to perform lead abatement and lead hazard work; (b) knowledge and experience in working within federal program requirements, especially the Davis-Bacon wage requirements; and (c) capacity to implement the lead hazard control program, including to address related rehabilitation needs that may be identified during a lead hazard control project.

Commerce hopes to identify a list of potential grant recipients by approximately September 10. The Department hopes to sign contracts with local grantees in mid-September, and begin environmental review and risk assessment of individual dwellings by late September to determine the existence of and appropriate reduction or removal of lead hazard. Commerce hopes that actual lead hazard removal will begin in September and October.

## **ANALYSIS**

The request does not identify grant recipients as directed by the Committee's August 4, 2009, action. The Governor indicated the request was submitted prior to identification of grant recipients so that the funds can be awarded and the program implemented. In addition, the request indicates that several activities need to occur before lead repair work can begin. These activities include: (a) local governments would complete the review of individual dwellings to determine which ones would undergo lead hazard control; (b) Commerce and local governments would sign contracts for specific grant amounts; (c) local governments would work with local health departments to identify dwellings that need lead hazard control; and (d) local governments would solicit bids and award projects to contractors who would do the lead hazard removal at specific dwellings. Finally, the request notes that approval is requested at this time because the late summer and early fall construction season is approaching.

Committee approval of the \$1,656,000 in LEAD program expenditure authority at this time

would allow Commerce to sign agreements with municipalities and nonprofit entities as soon as the Department selects grant recipients. Alternatively, if the Committee wishes to see the list of grant recipients before it approves the expenditure authority, as it specified under its August 4, 2009, action, the Committee could deny the request at this time. The Governor could submit a request for approval after Commerce identifies grant recipients and amounts in early September. The Committee could review the complete grant recipient list at that time.

## **ALTERNATIVES**

1. Approve the expenditure of \$1,656,000 in 2009-10 of federal stimulus funds in appropriation s. 20.143 (2)(o) for grants under the lead hazard control program.
2. Deny the request. The Governor could submit a request when grant recipients are identified.

Prepared by: Kendra Bonderud  
Attachment

## ATTACHMENT

### Potential Universe of Eligible LEAD Program Grant Recipients

**A. Community Development Block Grant (CDBG) Entitlement Areas**  
(Receive Regular Program Funding from HUD)

<u>Grantee</u>	<u>County</u>
Beloit	Rock
Dane County*	Dane
Eau Claire	Eau Claire
Fond du Lac	Fond du Lac
Green Bay	Brown
Janesville	Rock
Kenosha	Kenosha
Madison	Dane
Milwaukee County	Milwaukee
Neenah	Winnebago
Oshkosh	Winnebago
Superior	Douglas
Waukesha County**	Waukesha
Wausau	Marathon
Wauwatosa	Milwaukee
West Allis	Milwaukee

\* Except Cottage Grove, Dane, Edgerton, Maple Bluff, Mazomanie, and Rockdale are non-entitlement areas

\*\* Except Chenequa and Oconomowoc Lake are non-entitlement areas

**B. HOME Investment Partnership Program (HOME) Entitlement Areas**  
(Receive Regular Program Funding from HUD)

<u>Grantee</u>	<u>County</u>
Dane County	Dane
Eau Claire	Eau Claire
Green Bay	Brown
Kenosha	Kenosha
Madison	Dane
Milwaukee County	Milwaukee
Waukesha/Washington/Jefferson/Ozaukee*	Waukesha/Washington/Jefferson/Ozaukee*

\* Except Sullivan is a non-entitlement area

**C. Current CDBG Grant Recipients Through State Program**

<u>Grantee</u>	<u>County</u>
Adams County	Adams
Ashland, City	Ashland
Augusta, City	Eau Claire
Bayfield County	Bayfield
Big Falls, Village	Waupaca
Clayton, Village	Polk
Colby, Town	Clark
Deer Creek, Town	Outagamie
Dorchester, Village	Clark
Douglas County	Douglas
Eleva, Village	Trempealeau
Gays Mills, Village	Crawford
Kaukauna, City	Outagamie
Langlade County	Langlade
Marion, City	Waupaca
Mauston, City	Juneau
Menomonie City	Dunn
Plainfield, Village	Waushara
Readstown, Village	Vernon
Rib Lake, Village	Taylor
Ripon, City	Fond du Lac
Rock Elm, Town	Pierce
Rudolph, Village	Wood
Sawyer County	Sawyer
Springville, Town	Adams
Taylor, Village	Jackson
Thorp, Town	Clark
Tigerton, Village	Shawano
Viroqua, City	Vernon
Wabeno, Town	Forest
Washburn, City	Bayfield
Waupaca, City	Waupaca
Wild Rose, Village	Waushara
Wisconsin Rapids, City	Wood

**D. Current HOME Grantees Through State Program**

<u>Grantee</u>	<u>County or Service Area</u>
ADVOCAP, Inc.	Fond du Lac, Green, and Winnebago
Antigo Housing Authority	Langlade
Appleton Housing Authority	Outagamie
Ashland County Housing Authority	Ashland, Bayfield, and Iron
Calumet County	Calumet
CAP Services, Inc.	Marquette, Portage, Waupaca, and Waushara
Chippewa County Housing Authority	Chippewa
Couleecap, Inc.	Crawford, La Crosse (excluding the City of La Crosse), Monroe, and Vernon
Eau Claire County Housing Authority	Eau Claire (excluding the City of Eau Claire)
Impact Seven, Inc.	Ashland, Bayfield, Douglas, Iron, and Price
Indianhead Community Action Agency	Burnett, Clark, Price, Rusk, Sawyer, Taylor, and Washburn
Lakeshore CAP, Inc.	Door, Calumet, Kewaunee, Manitowoc, and Sheboygan
NEWCAP, Inc.	Florence, Forest, Langlade, Marinette, Menominee, Oconto, Oneida, Shawano, and Vilas
NHS of Richland County	Richland
North Central Community Action Program	Wood, Marathon, and Lincoln
Northwest Affordable Housing	Ashland, Bayfield, Burnett, Douglas, Iron, Price, Rusk, Sawyer, Taylor, and Washburn
Options for Independent Living	Brown (except for the City of Green Bay), Calumet, Door, Fond du Lac, Green Lake, Kewaunee, Manitowoc, Marinette, Marquette, Menominee, Oconto, Outagamie, Shawano, Sheboygan, Waupaca, Waushara, and Winnebago
Partners for Community Development	Door, Kewaunee, Manitowoc, and Sheboygan
Project Home, Inc.	Green
Renewal Unlimited, Inc.	Adams, Columbia, Dodge, Juneau, and Sauk
Southwestern Wisconsin Community Action Program, Inc.	Grant, Green, Iowa, Lafayette, and Richland
Taylor County Housing Authority	Taylor
Walworth County Housing Authority	Walworth
West Central Wisconsin Community Action Agency, Inc.	Barron, Dunn, Pepin, Pierce, Polk, and St. Croix
Western Dairyland Economic Opportunity Council, Inc.	Buffalo, Eau Claire, (excluding the City of Eau Claire), Jackson, and Trempealeau
Winnebago County Housing Authority	Winnebago