

Chapter Adm 89

HOUSING COST GRANTS AND LOANS

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Note: Chapter Adm 18 was renumbered chapter Comm 153 under s. 13.93 (2m) (b) 1., Stats., and corrections made under s. 13.93 (2m) (b) 6. and 7., Stats., Register January 2004 No. 577. Chapter Comm 153 was renumbered chapter Adm 89 under s. 13.92 (4) (b) 1., Stats., Register December 2011 No. 672.

Adm 89.01 Purpose and authority. This chapter is promulgated under the authority of ss. 227.11, Stats., and 560.02 (4), 2009 Stats., to implement ss. 16.301, 16.303, and 16.304, Stats.

History: Cr. Register, September, 1990, No. 417, eff. 10-1-90; correction made under s. 13.93 (2m) (b) 7., Stats., Register, July, 1999, No. 523; correction made under s. 13.92 (4) (b) 7., Stats., Register December 2011 No. 672.

Adm 89.02 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, Stats.; a cooperative organized under ch. 185, Stats., 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, Stats.

(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 USC 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% of the county median income adjusted for household size.

(8) “Moderate income” means gross annual household income of greater than 50% but not more than 80% 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.

History: Cr. Register, September, 1990, No. 417, eff. 10-1-90; correction in (3) made under s. 13.92 (4) (b) 6., Stats., Register December 2011 No. 672.

Adm 89.03 Distribution of funds. (1) Awards shall be made to eligible applicants to defray housing costs as defined in s. 16.301 (3), Stats., of low- and moderate-income households.

(2) Award amounts shall be evenly distributed among 3 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, 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 89.04.

History: Cr. Register, September, 1990, No. 417, eff. 10-1-90; emerg. am. (1), (2) (intro.), eff. 11-8-91; am. (1) and (2) (intro.), Register, May, 1992, No. 437, eff. 6-1-92; correction in (1), (3) (b) made under s. 13.92 (4) (b) 7., Stats., Register December 2011 No. 672.

Adm 89.04 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, resources or in-kind contributions that will be made available to the proposed housing program.

(5) The reasonableness of administrative and housing-related counseling costs requested from the department.

(6) The extent to which the programs are proposed to be continued or the residents initially benefitted are proposed to be assisted after department funds have been expended.

(7) The extent to which benefits would be provided to the types of households identified in s. 16.303 (2), Stats., or in the state housing strategy plan required by s. 16.302, Stats.

(8) The experience, track record, and quality of management of the applicant in the area of housing or community development.

(9) The extent to which the proposal involves partnerships and establishes formal and informal linkages with other related programs.

History: Cr. Register, September, 1990, No. 417, eff. 10-1-90; emerg. am. (4), r. (5), (6), (9) (a) to (e), renum. (7) to (9) (intro.), (10) and (11) to be (5) to (9) and am., eff. 11-8-91; am. (4), r. (5), (6) and (9) (a) to (e), renum. (7) to (9) (intro.), (10) and

(11) to be (5) to (9) and am., Register, May, 1992, No. 437, eff. 6-1-92; correction in (7) made under s. 13.92 (4) (b) 7., Stats., Register December 2011 No. 672.

Adm 89.05 Awards. (1) The maximum award that any one eligible applicant may receive is \$1 million in a particular competition.

(2) After an award is made, a contract agreement shall be executed between the state and the grantee and shall include information required by s. 16.303 (1) (b), (c) and (2) (a), Stats.

(3) 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 who, after receiving benefits under this program, would continue 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 15% of an award may be used by the grantee for administrative and housing-related counseling costs.

(5) Awards shall not be used for costs incurred prior to the start date of a contract period, except for making payments to or on behalf of eligible households for housing costs that are in arrears.

(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.

History: Cr. Register, September, 1990, No. 417, eff. 10-1-90; emerg. am. (1) to (3) (intro.) and (g), (4) and (5), eff. 11-8-91; am. (1) to (3) (intro.) and (g), (4) and (5), Register, May, 1992, No. 437, eff. 6-1-92; correction in (2) made under s. 13.92 (4) (b) 7., Stats., Register December 2011 No. 672.

Adm 89.06 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.

History: Cr. Register, September, 1990, No. 417, eff. 10-1-90.

Adm 89.07 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.

History: Cr. Register, September, 1990, No. 417, eff. 10-1-90.