

ORDER OF THE DEPARTMENT OF ADMINISTRATION

The Department of Administration proposes an order to repeal and recreate Adm 19.02(6) and (7), Adm 19.04, 19.05, and 19.08(2) and to create Adm 19.09, relating to small cities community development block grants for housing.

Analysis prepared by the Department of Administration:

Statutory Authority: ss. 16.004(1), 16.358(2) and 227.11, Stats.

Statutes Interpreted: s. 16.358, Stats.

The Department proposes to modify the rule to streamline and simplify the grant application process for communities within the State. The proposed amendment will reduce the steps and paperwork that a community must complete before it can apply for funds. Under the proposed rule, applications would be grouped by region with census data utilized to rank them according to need, ensuring an equitable geographic distribution of funds.

The majority of Community Development Block Grant (CDBG) funds will be used for the rehabilitation of low- to moderate-income housing units. The set-aside for Emergency Assistance will be continued and a new set-aside for special housing projects will be established. The purpose of these changes is to allow communities to request CDBG funds based on the need within their community, not in an effort to score points so they can be funded.

Final Regulatory Flexibility Analysis:

There will be no significant impact on small businesses.

TEXT OF RULE:

SECTION 1: Adm 19.02(6) and (7), 19.04, 19.05 and 19.08(2) are repealed and recreated to read:

Adm 19.02(6) “Special housing project” means an activity that results in the creation of new low- to moderate-income dwelling units.

Adm 19.02(7) “Unfunded application” means a CDBG application which receives an insufficient point score in the evaluation process to be eligible for funding.

Adm 19.04 Housing rehabilitation and homeownership assistance. Applicants shall be compared and rated by the department based upon the department's evaluation of the proposal's consistency with s. 16.31, Stats., and 24 CFR part 570, and the scoring criteria in the CDBG application package. Applicants shall be eligible to receive funding for housing rehabilitation, homeownership assistance, and housing-related public facilities based on established and documented need and the applicant's ability to complete the proposed activities. The department shall ensure that awarded grant funds are reasonably balanced among geographic areas of the state.

Adm 19.05 Application process. The department shall make funds available annually as those funds are made available by the federal department of housing and urban development. To receive funds under the program, an eligible applicant shall submit an application which is complete and in the format required by the department. The department shall make housing rehabilitation and homeownership assistance awards to fundable applicants on an annual basis. The department shall make special housing project awards under s. Adm 19.09 to eligible applicants as projects are ready for funding under the criteria established by the department and as funding becomes available.

Note: The application requirements can be obtained by writing to: Department of Administration, Division of Housing, P.O. Box 8944, Madison, WI 53708-8944.

Adm 19.08(2) The resubmitted application will retain the score received in the original application submittal.

SECTION 2: Adm 19.09 is created to read:

Adm 19.09 Special housing projects. The department may use at least \$750,000 annually from the program for special housing projects. Funds not awarded within 12 months may be included in the funding available for housing rehabilitation and homeownership activities under s. Adm 19.04. The department shall make special project awards to eligible applicants as projects are ready for funding under the criteria established by the department and as funding becomes available.

This rule shall take effect on the first day of the month following publication in the Wisconsin Administrative register as provided in s. 227.22(2)(intro.) Stats.

Date: _____

Marc J. Marotta, Secretary