

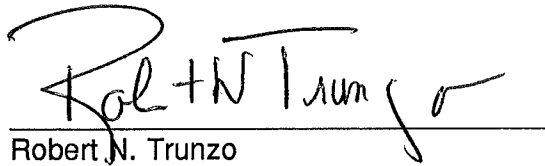
CERTIFICATE

STATE OF WISCONSIN)
) SS
DEPARTMENT OF DEVELOPMENT)

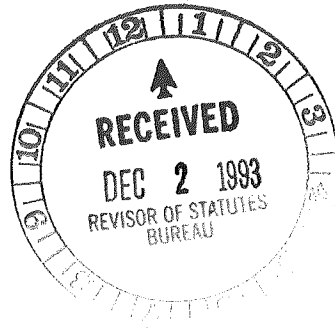
I, Robert N. Trunzo, Secretary and custodian of the official records of the Department of Development, do hereby certify that the annexed rules relating to the federally funded part of the Wisconsin Development Fund were duly approved and adopted by this Department on December 2, 1993.

I further certify that said copy has been compared by me with the original on file in this Department and that the same is a true copy thereof, and of the whole of the original.

IN TESTIMONY WHEREOF, I have here-
unto set my hand as Secretary at
123 West Washington Avenue in the City
of Madison, this second day of December,
1993.


Robert N. Trunzo

18-007



Pursuant to the authority vested in the Department of Development by s.560.04 (2) (j), Stats, the Department of Development adopts rules interpreting s.560.04 (2) (j), Stats., as follows:

SECTION 1. Subchapter 1 (title) of Ch. DOD 6 is amended to read:

Subchapter I, ~~ANNUAL HOUSING AND~~ PUBLIC FACILITIES COMPETITION

SECTION 2. s. DOD 6.01 is amended to read:

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 that the department receives pursuant to 42 U.S.C. ss. 5301 to 5319 and 24 C.F.R. ss. 570.480 to 570.496.

SECTION 3. s. DOD 6.03 (4), (9), (10) and (15) are repealed.

SECTION 4. s. DOD 6.03 (1), (1F) to (5) and (12) are renumbered (9), (2) to (6) and (13) respectively.

SECTION 5. s. DOD 6.03 (1) is created to read:

6.03 (1) "Adjusted gross income per capita" means the average individual adjusted gross income as reported on the individual income tax return within an applicant local government and statewide for Wisconsin income tax purposes.

SECTION 6. s. DOD 6.03 (2) as renumbered is amended to read:

6.03 (2) "Application" means a request for funding for either ~~housing economic development, public facilities economic development or public facility projects as provided in subchapter I of this chapter. A community may submit one application for housing and one application for public facilities.~~ economic development, public facilities economic development or public facility projects as provided in subchapter I of this chapter.

SECTION 7. s. DOD 6.03 (7) is amended to read:

6.03 (7) "Net mill rate" means the total of all property taxes levied by the ~~municipality~~ local government for all purposes less general property tax relief payments divided by the estimated market value of taxable property in the ~~municipality~~ local government.

SECTION 8. s. DOD 6.03 (9) as renumbered is amended to read:

6.03 (9) "~~Annual housing and public~~ Public facilities competition" means the ~~single annual receipt and review of applications for housing activities and public facilities improvements projects as provided in subch. I of this chapter~~ this subchapter.

SECTION 9. s. DOD 6.03 (10), (12) and (15) are created to read:

6.03 (10) "Public facilities economic development program" means the continuous receipt and review of applications for public facilities projects that support economic development as provided in subch. II of this chapter.

(12) "Residential utility rate" means the average annual household utility rate paid for water and sanitary sewer services determined by dividing the total gross annual residential water and sewer revenue collected for the preceding calendar year by the number of households served.

(15) "Urgent local need" means that the proposed public facility project is beyond the ability of the applicant to finance, as measured by available obligation debt capacity, residential utility rate and timely availability of funds from other sources, and is either necessary to address an imminent public health, safety or welfare problem or, is required by an order of a state agency, federal agency or court.

SECTION 10. s. DOD 6.03 (16) is amended to read

6.03 (16) "Wisconsin development fund grant" means a grant available to eligible applicants as provided in s. DOD 6.02 for the purpose of undertaking economic development projects, ~~housing activities~~ public facilities projects that support economic development and public facilities improvements projects.

SECTION 11. ss. DOD 6.04 to 6.10 are repealed and recreated to read:

6.04 NATIONAL OBJECTIVES. Each application and each project proposed in an application shall meet either of the following requirements:

(1) BENEFIT TO LOW AND-MODERATE INCOME PERSONS. The percentage of requested funds to be used for the direct benefit of low and-moderate income persons must meet at least the minimum requirements of 24C.F.R. s. 570.483 (b) (2).

(2) URGENT LOCAL NEED. For those applications which propose projects that have a local government-wide benefit and which are proposed in a local government that has a smaller percentage of low and moderate-income persons than specified in the application manual prepared by the department, the projects must meet an urgent local need.

6.05 PUBLIC FACILITY SCORING SYSTEM. The allocation of Wisconsin development fund grants distributed under the public facility competition shall be based upon the comparative ranking of applications. Comparative ranking is established by respective points awarded pursuant to ss. DOD 6.06 to 6.11. A local government may submit one application during each public facility competition. After reviewing the applications received during any public facilities competition, the department may establish a minimum score of 275 for funding.

6.06 DISTRESS INDICATORS. Distress indicators have a total value of 100 points as follows:

(1) NET MILL RATE. Scores shall range from 25 for those applicants with the highest net mill rates to 0 for those applicants with the lowest net mill rates. The 10% of applicants with the lowest net mill rates shall receive a score of 0. The remaining 90% of applicants will be sorted into 20 groups so that applicants in the group with the highest net mill rates receive 25 and applicants in each succeeding group receive a score 5% less than the score of the preceding group.

(2) FULL VALUE PER CAPITA. Scores shall range from 25 for those applicants with the lowest full values per capita to 0 for those applicants with the highest full values per capita. The 10% of applicants with the highest full value per capita shall receive a score of 0. The remaining 90% of applicants will be sorted into 20 groups so that applicants in the group with the lowest full value per capita receive 25 and applicants in each succeeding group receive a score 5% less than the score of the preceding group.

(3) ADJUSTED GROSS INCOME PER CAPITA. Scores shall range from 50 for those applicants with the lowest adjusted gross income per capita to 0 for those applicants with the highest adjusted gross income per capita. The 10% of applicants with the highest gross income per capita shall receive a score of 0. The remaining 90% of applicants will be sorted into 20 groups so that applicants in the group with the lowest adjusted gross income per capita receive 25 points and applicants in each succeeding group receive a score 5% less than the score of the preceding group.

6.07 NEEDS ASSESSMENT. Applicants shall receive 75, 50, 25 or 0 for describing and documenting the need for public facility projects as follows:

(1) An applicant shall receive 75 if it has identified, described and documented, by an outside agency, at the state level if possible, its public facility deficiencies, has proposed activities that will alleviate the problem and has shown that the activities are necessary to alleviate an urgent health and safety problem or are otherwise essential to the community.

(2) An applicant shall receive 50 if it has identified, described and documented the public facility deficiencies, has proposed activities that will alleviate the identified problems and has shown that the activities are necessary to alleviate an imminent health and safety problem or are otherwise essential to the community.

(3) An applicant shall receive 25 if it has identified, described and documented the public facility deficiencies and has proposed activities that will assist in alleviating the identified problem.

(4) An applicant which fails to meet the requirements of sub. (3) shall receive 0.

6.08 PLANNING. Applicants shall receive 50, 25 or 0 for planning as follows:

(1) An applicant shall receive 50 if it has submitted a public facility system plan describing total system needs including the proposed improvement and the specific project plan detailing the work to be completed and the cost.

(2) An applicant shall receive 25 if it has submitted a specific project plan detailing the work to be completed and the cost.

(3) An applicant which does not meet the requirements of sub. (2) shall receive 0.

6.09 PAST EFFORT. Applicants shall receive 25, 15 or 0 for past efforts to correct the identified deficiency as follows:

(1) An applicant shall receive 25 if it has described and documented past public facility construction activities that integrally relate to and support each proposed activity and that had a direct impact on alleviating the identified deficiency.

(2) An applicant shall receive 15 if it has described and documented past public facility maintenance or improvements that relate to the proposed activities including previous attempts to fund the activities.

(3) An applicant which does not meet the requirements of sub. (2) shall receive 0.

6.10 ABILITY TO PAY. Applicants shall receive 25, 15 or 0 for the relative rank of their residential utility rates and 25, 15 or 0 for their relative ability to incur additional general obligation indebtedness as follows:

(1) RESIDENTIAL UTILITY RATES. (a) An applicant shall receive 25 if its residential utility rate is among the top third of applicants or if it is establishing the initial rate of a new public utility.

(b) An applicant shall receive 15 if its residential utility rate is among the middle third of applicants.

(c) An applicant which does not meet the requirements of pars. (a) or (b) shall receive 0.

(2) GENERAL OBLIGATION DEBT. (a) An applicant shall receive 25 if its general obligation debt per capita is among the top third and its available general obligation debt per capita is among the lower third of applicants.

(b) An applicant shall receive 15 if its general obligation debt per capita and its available general obligation debt per capita are among the middle third of applicants.

(c) An applicant which does not meet the requirements of pars. (a) or (b) shall receive 0.

6.105 LEVERAGING. Applicants shall receive up to 100 points for leveraging or matching Wisconsin development funds with other funds that will either expand results or permit more aspects of need to be addressed. To receive credit for leveraging, there must be evidence of prior commitment of the availability of funds within the program period. Points shall be allocated under this section as follows:

(1) Applicants that leverage one or more dollars of other funds for each dollar of Wisconsin development funds shall receive 100 points. Applicants that leverage less than one dollar for each dollar of Wisconsin development funds shall receive points equal to the whole number equivalent of the ratio of other dollars to Wisconsin development fund dollars carried to 2 decimal places.

(2) Those applicants which receive a score of 20 or more under sub. (1) with adjusted gross incomes per capita below the median adjusted gross income per capita for all eligible applicants shall receive points as provided in sub.

(1) plus the whole number equivalent of the percentage differential between the adjusted gross income per capita of the applicant and the median adjusted gross income for all eligible applicants up to a maximum of 100.

SECTION 12. s. DOD 6.115 is repealed.

SECTION 13. s. DOD 6.12 (1) is amended to read:

6.12 ~~(1) MAXIMUM GRANT SIZE.~~ The maximum amount available to an applicant 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.~~

SECTION 14. s DOD 6.12 (2) and 6.135 are repealed.

SECTION 15. Subchapter II (title) of Chapter DOD 6, s. DOD 6.14, 6.15 and 6.16 (intro.) are amended to read:

Subchapter II, ECONOMIC DEVELOPMENT PROGRAM AND PUBLIC FACILITIES ECONOMIC DEVELOPMENT PROGRAM

6.14 APPLICABILITY. Sections DOD 6.01, 6.02, 6.03(2), (2), ~~(2m)~~, (3), (4), (5) (6), (8), and (16) and the provisions of this subchapter except for s. DOD 6.16 (1f) apply to the economic development program. Sections DOD 6.01, 6.02, 6.03 (2), (3), (6), (8), (10) and (16) and the provisions of this subchapter except for ss. DOD 6.16 (7), and 6.18 (1) to (3), (4) (a), (c) and (d) and (5) apply to the public facilities economic development program.

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 the applicable minimum requirements contained in s. DOD 6.16. The allocation of revolving loan fund monies, which the state receives pursuant to 24 C.F.R. s. 570.489(e) (2) (i) and distributes under the public facilities economic development program, shall be based upon the rating of applications against the applicable minimum requirements contained in s. DOD 6.16.

6.16 (intro.) All applicants for economic development program funds shall meet each of the following minimum requirements+ in subsections (1) and (2) to (7). All applicants for public facilities economic development program funds shall meet the minimum requirements in subsections (1) to (6).

SECTION 16. Section DOD 6.16 (1f) is created to read:

6.16 (1f) CITIZEN PARTICIPATION PLAN. An applicant for public facilities economic development program funds must have a citizen participation plan as described in 24 CFR s. 570.486 (a).

SECTION 17. Sections DOD 6.16 (3) to (6), 6.17, 6.18 (1), (2), (3), (4) (b), (c) and (d) and 6.20 (1) are amended to read:

6.16 (3) PRIVATE FUNDS LEVERAGED. An applicant for economic development program funds or public facilities economic development program funds must

shall leverage a minimum of one dollar of private funds for each dollar of Wisconsin development funds requested. An applicant for economic development program funds shall also leverage one dollar of private funds for each dollar of Wisconsin development funds requested for the working capital portion of a the project. An applicant for public facilities economic development program funds must contribute a cash match out of its own funds at least equal to 25% of the total project cost.

(4) COST PER JOB CREATED OR RETAINED. The cost amount requested by an applicant for economic development program funds for each job that is created or retained shall not exceed \$20,000 in Wisconsin development funds. The amount requested by an applicant for public facilities economic development program funds for each job that is created or retained shall not exceed \$10,000.

(5) DEMONSTRATION OF NEED. To demonstrate need, an application for economic development program funds shall show evidence that the project on behalf of which the grant is requested is not eligible for unable to obtain full 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. To demonstrate need an application for public facilities economic development program funds shall show evidence that the project on behalf of which the funds are requested are not fundable from any other source.

(6) FINANCIAL FEASIBILITY AND BUSINESS VIABILITY. Applicants for economic development program funds shall demonstrate that the business that will receive funds is viable and has the economic ability to repay the funds. Applicants for public facilities economic development program funds shall demonstrate that the business that will benefit from the funds is viable and has the ability to create and retain jobs.

6.17 APPLICATION MANUAL. The department shall annually prepare an application manual manuals which it may update as needed. The manual application manuals will contain the application procedures, requirements and instructions for funding under the economic development program and the public facilities economic development program.

6.18 (1) Out of each annual allotment of federal Wisconsin development funds, administered by the department, the department may set aside between 23% and 53% up to 75% for the economic development program or up to 75% for the public facilities competition. The department shall announce the amount of the set aside no 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. Funds in the department's revolving loan fund, consisting of repayments from prior economic development program awards shall be used for public facilities economic development or public facilities program awards.

(2) The maximum amount available to any business under the economic development program is \$750,000. The maximum amount available under the economic development program to any local government, including any amount loaned to a business, is \$1.5 million per calendar year. The maximum amount available to assist any business under the public facilities economic

development program is \$750,000. The maximum amount available to any local government under the public facilities economic development program is \$1.5 million per calendar year.

(3) Each applicant recipient of economic development program funds 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 recipient of funds must comply with the requirements established by the federal government under 24 C.F.R. s. 570.489 (f) and the procedures established by the department.

(b) All program income from grants in excess of these amounts shall be returned to the state to fund additional eligible public facilities economic development and public facilities activities, except that the department shall may waive this requirement to the extent such income is applied to continue the activities from which such the income was derived.

(c) An applicant A recipient of economic development program funds which will generate program income in excess of the amounts allowed in this section from grants awarded prior to January 1, 1987 is not eligible to retain program income from grants awarded after January 1, 1987, except as provided in par. (b).

(d) All program income from grants awarded prior to January 1, 1987 shall be retained by the applicant recipient in accordance with federal regulations 24 C.F.R. ss. 570.489 (e) (2) and (f) and the original contract provisions. The department cannot unilaterally may require the applicant recipient to return any program income from grants awarded prior to January 1, 1987 if funds are not being spent in accordance with federal program regulations and contractual provisions or if program recordkeeping and reporting procedures are not being met.

6.20 (1) Applications for economic development and public facilities economic development program funds will be reviewed on a continual basis. However, if the department has applications for either program for funds in excess of the amount available, the department may shall determine which applications that have met the applicable minimum requirements contained in s.DOD 6.16 will receive priority based on distress indicators, percent of jobs created or retained for low-and moderate-income persons, and cost per job and past performance.

SECTION 18. Section DOD 6.20 (2) is repealed.

SECTION 19. Subchapter DOD III (title) and sections DOD 6.30, 6.31 (1) and 6.32 (1) are amended to read:

Subchapter III, EMERGENCY BLOCK GRANTS

6.30 PURPOSE. (1) The purpose of this chapter subchapter is to set forth the criteria the department will use to determine how small cities community development block grant federal Wisconsin development funds will be distributed to provide emergency assistance to local governments which have experienced natural disasters or other catastrophic events that threaten the

public health or safety of the community and lead to an urgent need for major infrastructure repairs or replacement.

(2) Sections DOD 6.01, 6.02 and 6.03 (4) and (16) and the provisions of this subchapter apply to the emergency grants program.

6.31 (1) The ~~community~~ local government must have suffered a ~~major~~ natural disaster or ~~have been included in a federal disaster declaration~~ other catastrophic event.

6.32 (1) The activities which are eligible for funding under this subchapter are the same as those which were eligible under the ~~annual housing and public facilities competition~~ except that they must in addition be related to recovery from the ~~disaster~~ emergency, must be for items which are not covered by insurance or other funding sources and must be unable to await funding available through the next ~~annual housing and public facilities competition.~~

SECTION 20. s. DOD 6.32 (3) is created to read:

6.32 (3) In situations where the catastrophic event was caused by human activity, such as a spill of hazardous material, and funds to repair the damage are recovered from a responsible party, then the department shall be reimbursed for its proportionate share of the repair.

SECTION 21. s. DOD 6.33 (1) is amended to read:

6.33 (1) A local government interested in applying for an emergency grant must provide the department ~~of development~~ with a written request dated not more than ~~3 months~~ 90 days after the later of the issuance of the state or federal disaster declaration applicable to ~~that~~ the local government, the occurrence of or the discovery of the catastrophic event, which includes:

(a) A description of the ~~disaster~~ damage,

(b) ~~Evidence of inclusion in a~~ Documentation of a state or federal disaster declaration or a description of the catastrophic event.

(c) A description of the activities the emergency grant will fund,

(d) A budget; ~~and~~

(e) Evidence of the one-third financial match to the emergency ~~block~~ grant funds requested.

(f) A discussion of alternative remedies, and

(g) Evidence that the applicant can assume or identify other means to pay project costs in excess of \$666,666.

SECTION 22. s DOD 6.34 is amended to read:

6.34 ALLOCATION. Each calendar year, up to \$1,000,000 of ~~small cities~~ community federal Wisconsin development ~~block grant~~ funds may be expended by the department ~~of development~~ for emergency ~~block~~ grants. The department may

exceed this level of expenditure if it receives additional qualified applications.

EFFECTIVE DATE. The regulations set forth in this order shall be effective on the first day of the month following publication in the Wisconsin administrative register as provided in s. 227.22 (2(intro.)), Stats.

Dated: 12-2-93 Agency: Robert N. Trunzo
Robert N. Trunzo, Secretary

