

Chapter DOD 6

**SMALL CITIES COMMUNITY DEVELOPMENT BLOCK
GRANT COMPETITION**

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Note: Chapter DOD 6 was repealed and recreated by emergency rule effective 5-18-83.

DOD 6.01 Purpose. The purpose of this chapter is to set forth the criteria the department will use in determining how small cities community development block grant funds will be allocated among applicants for the funds.

History: Cr. Register, February, 1982, No. 314, eff. 3-1-82.

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 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 small cities block grant funds.

History: Cr. Register, February, 1982, No. 314, eff. 3-1-82.

DOD 6.03 Definitions. (1) "Comprehensive application" means an application which proposes to address 2 or 3 of the program impact categories listed in s. DOD 6.06, and which establishes a relationship between the activities proposed in each program impact category.

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

(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.

(3a) "Growth center" means an applicant which is either identified as a growth center in the manual prepared pursuant to s. DOD 6.13 (1) or which evidences that a concentration of economic activity regularly occurs in the community and serves a larger area and which proposes activities that will enhance the position of the applicant as a center of economic activity.

(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.

(6) "Multi-year comprehensive application" means a comprehensive application as defined in sub. (1) which requests funding for 2 years.

(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) "Redevelopment area" means an area or areas designated in a resolution of the governing body of the applicant or in a resolution of the governing body of the municipality on whose behalf application was made which contains not more than 20% of the land area of the municipality and at least one-half of which meets 2 of the following 3 criteria:

(a) Is an area in need of rehabilitation as defined in s. 66.465 (1), Stats.;

(b) Is an area within which the market value of residential or other property has decreased or has increased at a rate substantially less than the rate of increase in average sale price of property in the municipality as a whole; or

(c) Is an area within which conditions exist to discourage private lenders from making loans for, and present and prospective property owners from investing in, purchase and rehabilitation.

(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.

(13) "Single purpose application" means an application which proposes to address at least one of the program impact categories listed in s. DOD 6.06.

(14) "Small cities community development block grant" means a grant available on a competitive basis to eligible applicants as provided in s. DOD 6.02, for the purpose of undertaking economic development projects, housing activities and public facilities improvements.

(15) "Target area" means an area or areas within the municipality which contain a concentration of low and moderate income or minority residents, and which include not more than 25% of the population of the municipality.

(16) "Unemployment rate" means the percentage of persons in the community who are unemployed based upon the average of the most recent 3 year period.

DOD 6.04 Scoring system. The allocation of small city community development block grant funds shall be based upon the comparative ranking of applications. Comparative ranking is established by respective points awarded applicants. In determining the points to be awarded applicants, the department shall use the criteria contained in ss. DOD 6.05 to 6.11.

History: Cr. Register, February, 1982, No. 314, eff. 3-1-82.

DOD 6.05 Distress indicators. There are 6 distress indicators with a total value of 210 points. The distress indicators are:

(1) **NET MILL RATE.** Scores shall range from 20 points for those eligible applicants with the highest net mill rates to zero points for those eligible applicants with the lowest net mill rates.

(2) **FULL VALUE PER CAPITA.** Scores shall range from 20 points for those eligible applicants with the lowest full value per capita to zero points for those eligible applicants with the highest full value per capita.

(3) **PERCENTAGE OF HOUSEHOLDS IN NEED OF HOUSING ASSISTANCE.** Scores shall range from 40 points for those eligible applicants with the highest percentage of households in need of housing assistance to zero points for those eligible applicants with the lowest percentage of households in need of housing assistance.

(4) **PER CAPITA INCOME.** Scores shall range from 50 points for those eligible applicants with the lowest per capita income to zero points for those eligible applicants with the highest per capita income.

(5) **PERCENTAGE OF PERSONS IN POVERTY.** Scores shall range from 40 points for those eligible applicants with the highest percentage of persons in poverty to zero points for those eligible applicants with the lowest percentage of persons in poverty.

(6) **UNEMPLOYMENT RATE.** Scores shall range from 40 points for those eligible applicants with the highest unemployment rates to zero points for those eligible applicants with the lowest unemployment rates.

History: Cr. Register, February, 1982, No. 314, eff. 3-1-82.

DOD 6.06 Program impact. There are 3 categories of program impact, each with a total value of 325 points. Applicants shall address at least one of the categories of program impact and may address 2 or 3. An applicant that proposes a comprehensive grant shall receive a score for program impact equal to the average of the scores received for each category addressed. The 3 categories of program impact include:

(1) **ECONOMIC CONDITIONS.** Points for economic conditions are determined as follows:

(a) *Economic development strategy.* Applicants shall receive 100, 75, 50, 25 or zero points for economic development strategy as follows:

1. An applicant shall receive 100 points if it is a growth center, has documented significant economic development needs, including needs of low- and moderate-income persons, has prepared or participated in the preparation of and endorses an overall economic development strategy to address the identified needs, has proposed activities that directly address the identified needs in quantifiable terms with benefits which are substantial in relation to the extent and seriousness of economic condi-

tions and has considered environmental factors and involuntary displacement.

2. An applicant shall receive 75 points if it has documented significant economic development needs, including needs of low- and moderate-income persons, has prepared or participated in the preparation of and endorses an overall economic development strategy to address the identified needs, has proposed activities that directly address the identified needs in quantifiable terms with benefits which are significant in relation to the extent and seriousness of economic conditions and has considered environmental factors and involuntary displacement.

3. An applicant shall receive 50 points if it has documented economic development need and has proposed activities which relate to an overall economic development strategy and which directly address identified needs with tangible benefits.

4. An applicant shall receive 25 points if it has documented economic development need and has proposed activities that relate to an overall economic development strategy but the benefits of which do not have a substantial impact.

5. An applicant which does not meet the standard contained in subd. 4., shall receive zero points.

(b) *Costs.* Applicants shall receive 25, 15 or zero points for costs as follows:

1. An applicant shall receive 25 points if it shows that the cost of its proposed activities are low in comparison with other applications, that the benefits including the number of jobs created or maintained for low and moderate income persons and the private dollars leveraged are high, and that private investment is firmly committed.

2. An applicant shall receive 15 points if it shows moderate costs and moderate benefits and firm commitment of private investment.

3. An applicant which does not meet the standards contained in subd. 2., shall receive zero points.

(c) *Redevelopment area.* Applicants shall receive 50, 35, 15 or zero points for redevelopment area as follows:

1. An applicant shall receive 50 points if it shows that a substantial portion of the proposed activities are directed toward a designated redevelopment area, that the activities will significantly improve economic conditions, and, together with other activities, will maintain or expand existing resources.

2. An applicant shall receive 35 points if it shows that a redevelopment area has been designated, that a moderate amount of economic development activity is directed toward the area and that the activity will improve economic conditions.

3. An applicant shall receive 15 points if it shows that a redevelopment area has been designated to which some economic development activities are directed.

4. An applicant which does not meet the standard contained in subd. 3., shall receive zero points.

(d) *Concentrated effort.* Applicants shall receive 50, 35, 15 or zero points for concentrated effort as follows:

1. An applicant shall receive 50 points if it shows that the proposed activities closely integrate with and support other activities which, in combination, will significantly improve economic conditions and that previous efforts have been made toward alleviating problem economic conditions.

2. An applicant shall receive 35 points if it shows that the application supports or is necessary to other activities or programs, and that some improvement of economic conditions will result.

3. An applicant shall receive 15 points if it shows that the application supports or is necessary to other economic development activities or programs.

4. An applicant which does not meet the standard contained in subd. 3., shall receive zero points.

(e) *Benefit to low and moderate income persons.* Applicants shall receive 100, 75, 50 or zero points for benefit to low and moderate income persons as follows:

1. An applicant shall receive 100 points if it shows that benefits from proposed activities will be directed toward low and moderate income persons to a substantial degree when compared with other applications.

2. An applicant shall receive 75 points if it shows that benefits will be directed toward low and moderate income persons to at least a moderate degree when compared with other applications.

3. An applicant shall receive 50 points if it shows that benefits will be directed toward low and moderate income persons to at least a minimal degree when compared with other applications.

4. An applicant which does not meet the standard contained in subd. 3., shall receive zero points.

(2) **HOUSING AND RELATED CONDITIONS.** Points for housing and related conditions are determined as follows:

(a) *Housing strategy.* Applicants shall receive 100, 75, 50, 25 or zero points for housing strategy as follows:

1. An applicant shall receive 100 points if it has identified and documented significant housing and related needs, has fully described its proposed activities and documented the willingness of homeowners, landlords and others to participate in the program, has proposed activities which directly relate to and address, with quantifiable and substantial benefit, identified needs, including the needs of low- and moderate-income persons, by location, household and tenure type, has identified and addressed such other needs as neighborhood revitalization and deconcentration of low- and moderate-income as well as minority persons, and has considered environmental factors and involuntary displacement.

2. An applicant shall receive 75 points if it has identified and documented housing and related needs, has proposed activities which directly relate to and address, with quantifiable and substantial benefit, identified needs, including needs of low- and moderate-income persons, by location,

household and tenure type, has identified and addressed such other needs as deconcentration of low and moderate income as well as minority persons, and has considered environmental factors and involuntary displacement.

3. An applicant shall receive 50 points if it has identified and documented housing and related needs and has proposed activities which meet at least a moderate portion of identified needs, but not necessarily by household type, and which are targeted, if appropriate, to an area with significant low and moderate income or minority concentration.

4. An applicant shall receive 50 points if it has identified and documented housing and related needs and has proposed activities which relate to the identified needs.

5. An applicant which does not meet the standard contained in subd. 4., shall receive zero points.

(b) *Target area.* Applicants shall receive 50, 35, 15 or zero points for target area as follows:

1. An applicant shall receive 50 points if it shows that a substantial portion of the proposed activities are directed toward an area or areas with substantial low and moderate income or minority concentrations, and that those activities will have a significant impact and will assist in the elimination of slum and blight conditions.

2. An applicant shall receive 35 points if it shows that a moderate portion of the proposed activities are directed toward an area or areas with significant low and moderate income or minority concentrations and that the activities will result in a moderate impact, or if it has a population of 1,000 or less and shows that targeting is inappropriate because of the size of the community.

3. An applicant shall receive 15 points if it shows that some of the proposed activities are directed toward an area or areas with low and moderate income or minority concentrations and that they will have at least a minimal impact.

4. An applicant which does not meet the standard contained in subd. 3., shall receive zero points.

(c) *Concentrated effort.* Applicants shall receive 50, 35, 15 or zero points for concentrated effort as follows:

1. An applicant shall receive 50 points if it shows that proposed activities integrate with and support other activities which, in combination, will have a direct impact upon alleviating problem housing and related conditions, that the community has taken previous actions toward alleviating these conditions and that other programs are being used to further housing and neighborhood revitalization.

2. An applicant shall receive 35 points if it shows that the community has taken previous actions toward alleviating problem housing and related conditions and that other programs are being used which will assist in alleviating these conditions.

3. An applicant shall receive 15 points if it shows that previous actions have been taken or other programs are proposed to alleviate problem housing and related conditions.

4. An applicant which does not meet the standard contained in subd. 3., shall receive zero points.

(d) *Expanded opportunity.* Applicants shall receive 25, 15, or zero points for expanded opportunity as follows:

1. An applicant shall receive 25 points if it proposes activities that expand housing opportunity for a substantial number of low- and moderate-income people through the provision of housing not previously available.

2. An applicant shall receive 15 points if it proposes activities which expand housing opportunities for a moderate number of low- and moderate-income people through the provision of housing not previously available.

3. An applicant which does not meet the standard contained in subd. 2., shall receive zero points.

(e) *Benefit to low and moderate income persons.* Applicants shall receive 100, 75, 50 or zero points for benefit to low and moderate income persons as follows:

1. An applicant shall receive 100 points if it shows that benefits from proposed activities will be directed toward low and moderate income persons to a substantial degree when compared with other applications.

2. An applicant shall receive 75 points if it shows that benefits will be directed toward low and moderate income persons to at least a moderate degree when compared with other applications.

3. An applicant shall receive 50 points if it shows that benefits will be directed toward low and moderate income persons to at least a minimal degree when compared with other applications.

4. An applicant which does not meet the standard contained in subd. 3., shall receive zero points.

(3) **SERIOUS DEFICIENCIES IN PUBLIC FACILITIES.** Points for serious deficiencies in public facilities are determined as follows:

(a) *Public facilities strategy.* Applicants shall receive 100, 75, 50, 25 or zero points for public facilities strategy as follows:

1. An applicant shall receive 100 points if it has identified and documented, by another agency where possible, the public facility deficiencies, has adopted a multipurpose plan or strategy for the elimination of public facility deficiencies, has proposed activities that will resolve the problem to a greater extent than other proposals designed to meet similar needs, in relation to the amount requested, has considered environmental factors and involuntary displacement and has shown that the facility is necessary to alleviate a problem which affects health and safety or is otherwise essential to the community.

2. An applicant shall receive 75 points if it has identified and documented the public facility deficiencies, has adopted a plan or strategy for the elimination of public facility deficiencies, and has shown that the activities will have a direct impact on resolving the identified problems which affect health and safety or are otherwise essential to the community.

3. An applicant shall receive 50 points if it has identified and documented the public facilities deficiencies and has shown that the proposed activities will assist in alleviating the identified problem.

4. An applicant shall receive 25 points if it has identified and described the public facilities deficiencies and has shown that the proposed activities will assist in alleviating the identified problem.

5. An applicant which does not meet the standard in subd. 4., shall receive zero points.

(b) *Concentrated effort.* Applicants shall receive 50, 35, 15 or zero points for concentrated effort as follows:

1. An applicant shall receive 50 points if it has proposed activities that integrally relate to and support other activities that, in combination, will have a direct impact on alleviating a substantial portion of identified community development need.

2. An applicant shall receive 35 points if it has proposed activities that relate to other programs that will affect the identified community development problems and will alleviate at least a moderate portion of identified need.

3. An applicant shall receive 15 points if it has proposed activities that support other activities which will assist in alleviating community development problems.

4. An applicant which does not meet the standard in subd. 3., shall receive zero points.

(c) *Other efforts.* Applicants shall receive 50, 35, 15 or zero points for other efforts as follows:

1. An applicant shall receive 50 points if it has investigated alternative funding, has documented previous efforts toward resolving the identified community facility deficiency, has received or made a commitment of other funds which contribute to resolving the deficiency, and, if a service center, has identified committed funding for program operations.

2. An applicant shall receive 35 points if it has made previous efforts to resolve the deficiency and has made contributions of other funds to the resolution of the deficiency.

3. An applicant shall receive 15 points if it has made previous efforts to resolve the deficiency.

4. An applicant which does not meet the standard contained in subd. 3., shall receive zero points.

(d) *Debt.* Applicants shall receive 25, 15 or zero points for debt as follows:

1. An applicant shall receive 25 points if it shows that its general obligation debt per capita is high and its available general obligation debt per capita is low in comparison with other applications.

2. An applicant shall receive 15 points if it shows that its general obligation debt per capita is moderate and its available general obligation debt per capita is moderate in comparison with other applicants.

3. An applicant shall receive 15 points if it shows that its general obligation debt per capita is low and its available general obligation debt per capita is high in comparison with other applicants but has a binding obligation for which a substantial part of its authorized general obligation debt is committed.

4. An applicant which does not meet either the standard contained in subd. 2, or 3., shall receive zero points.

(e) *Benefit to low and moderate income persons.* Applicants shall receive 100, 75, 50 or zero points for benefit to low and moderate income persons as follows:

1. An applicant shall receive 100 points if it shows that benefits from proposed activities will be directed toward low and moderate income persons to a substantial degree when compared with other applications.

2. An applicant shall receive 75 points if it shows that benefits will be directed toward low and moderate income persons to at least a moderate degree when compared with other applications.

3. An applicant shall receive 50 points if it shows that benefits will be directed toward low and moderate income persons to at least a minimal degree when compared with other applications.

4. An applicant which does not meet the standard contained in subd. 3., shall receive zero points.

History: Cr. Register, February, 1982, No. 314, eff. 3-1-82; am. (intro.), (1) (a), (2) (a) and (3) (a), Register, November, 1983, No. 335, eff. 12-1-83.

DOD 6.07 Combining other funds with community development block grant funds. Applicants shall receive up to 50 points if they show with funds to be secured that the combination of those funds with community development block grant funds will either expand results or will permit more aspects of need to be addressed by the applicant.

(1) **COMMITMENT OF FUNDS.** To receive credit for funds to be secured, there must be evidence of prior commitment of the availability of the funds within the program period.

(2) **ALLOCATION OF POINTS.** Points shall be allocated on the basis of the ratio of other funds to community development block grant funds for each impact category. Those applications with a ratio of 2 or greater shall receive 50 points. Those from 1.0 to 1.99 shall receive 40 points. Those from .50 to .99 shall receive 30 points. Those from .25 to .49 shall receive 20 points. Those from .10 to .24 shall receive 10 points. Those below .10 shall receive zero points. An applicant that addresses more than one impact category shall receive a score that equals the average of the scores received for each impact category.

History: Cr. Register, February, 1982, No. 314, eff. 3-1-82; am. (intro.) and (1), Register, November, 1983, No. 335, eff. 12-1-83.

DOD 6.08 Capacity to carry out the program. An applicant shall receive 20 points for capacity if its application demonstrates one of the following:

(1) **PRIOR EXPERIENCE.** Successful previous administration of a community development grant or program. Demonstration of successful ad-

ministration must include a showing of timely completion as well accomplishment of program objectives.

(2) **CITIZEN BODY.** The presence of a citizen advisory body which has prior experience in providing community development advice and direction to the governing body and which will actively participate in the administration of the block grant program being proposed.

(3) **STAFF.** The availability of in-house professional staff who has prior community development experience and who will be available to administer the block grant program being proposed.

History: Cr. Register, February, 1982, No. 314, eff. 3-1-82.

DOD 6.09 Regional, economic or growth center. History: Cr. Register, February, 1982, No. 314, eff. 3-1-82; r. Register, November, 1983, No. 335, eff. 12-1-83.

DOD 6.10 Equal opportunity. Applicants shall receive up to 20 points for equal opportunity as follows:

(1) **MINORITY CONTRACTS.** Ten points shall be awarded to any applicant that demonstrates that the percentage of its contracts, based on dollar value, awarded within the past 2 years to minority owned, controlled or managed businesses, is greater than the percentage of minorities residing in the county.

(2) **FAIR HOUSING.** Ten points shall be awarded to any applicant that has adopted a fair housing ordinance which complies with federal and state law and that either documents efforts to publicize the ordinance which go significantly beyond required publication and which serve to make the provisions of the ordinance known to residents and providers of housing, or that documents the existence and application of a complaint system.

History: Cr. Register, February, 1982, No. 314, eff. 3-1-82.

DOD 6.11 Comparison of communities. (1) **DISTRESS COMPARISON.** For the purpose of determining the scores for distress indicators, all eligible applicants with a population of 5,000 or more, other than counties, shall compete against each other. All eligible non-metropolitan area applicants with a population of less than 5,000 and all non-metropolitan area counties shall compete against each other to determine the scores for the distress indicators. All eligible metropolitan area applicants with a population of less than 5,000 and all metropolitan area counties shall compete against each other to determine the scores for the distress indicators.

(2) **OVERALL COMPARISON.** For the purpose of determining the overall ranking of applications, all comprehensive applications shall be compared to and compete against each other and all single purpose applications shall be compared to and compete against each other.

History: Cr. Register, February, 1982, No. 314, eff. 3-1-82.

DOD 6.115 Benefit to low and moderate income persons. In order for an applicant to receive funds, more than one-half of the total requested by the applicant must be proposed to be used for the direct benefit of low- and moderate-income persons.

History: Cr. Register, November, 1983, No. 335, eff. 12-1-83.

DOD 6.12 Distribution of funds. (1) **COMPREHENSIVE, SINGLE PURPOSE DIVISION.** Seventy percent of the funds will be distributed to the highest Register, November, 1983, No. 335

ranking comprehensive applications and 30% will be distributed to the highest ranking single purpose applications. Should the quality of the applications warrant a change in the distribution, the department may increase or decrease by as much as 10% the amount available to either comprehensive or single purpose applications.

(2) **MULTI-YEAR FUNDING.** The total amount available for distribution for the second year of multi-year comprehensive applications is limited to no more than 25% of the funding available for the current federal fiscal year.

(3) **MAXIMUM GRANT SIZE.** The maximum amount available to any applicant is \$750,000 per year.

History: Cr. Register, February, 1982, No. 314, eff. 3-1-82; am. (2), Register, November, 1983, No. 335, eff. 12-1-83.

DOD 6.13 Application process. (1) **MANUAL.** Annually, the department shall prepare a manual that contains the small city block grant application procedures. 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.

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