



State of Wisconsin
Department of Administration
(DUNS No. 80-903-5728)

State of Wisconsin Action Plan

**For CDBG Disaster Recovery Funds
Supplemental Appropriations Act, 2008
(Midwest)
(Public Law 110-252)**

(Federal Register: September 11, 2008 (Vol. 73 No. 177))

UPDATED October 2016

**State of Wisconsin ■ Scott Walker, Governor
Department of Administration ■ Scott Neitzel, Secretary**

INTRODUCTION

The State of Wisconsin is required to publish an Action Plan for Disaster Recovery (Action Plan) that describes the proposed use of U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) funding associated with the Supplemental Appropriations Act, 2008 (Public Law 110-252, approved June 30, 2008) for disaster relief of unmet needs resulting from severe storms, tornadoes and flooding in the state. This document will describe:

- the citizen participation process used to develop the Action Plan;
- eligible affected areas and applicants, and the methodology to be used to distribute funds to those areas and applicants;
- activities for which funding may be used; and
- grant administration standards.

This Action Plan will be used by the state to guide the distribution of \$24,057,378 of CDBG Disaster Recovery Funding toward meeting unmet housing, infrastructure, business, public service, public facility, and other needs in counties designated as Presidential Disaster Areas, as directed by Public Law 110-252 and HUD. This Action Plan is in relation to the U.S. Department of Housing and Urban Development's Notice of Funding Availability provided in Federal Register / Volume 73, Number 177, Docket No. FR-5250-N-01.

The Wisconsin 2011-13 Biennial Budget transferred responsibilities for the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) funding associated with the Supplemental Appropriations Act, 2008 (Public Law 110-252, approved June 30, 2008) from the Department of Commerce to the Department of Administration.

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THE EFFECT OF THE DISASTERS ON WISCONSIN'S RECOVERY NEEDS

The severe storms, tornados, and flooding events of late spring and early summer 2008 were preceded by a winter that produced record snowfalls in southern Wisconsin. On March 19, 2008, federal declaration FEMA-3285-EM for Snow was declared in the counties of Dane, Dodge, Green, Jefferson, Kenosha, Milwaukee, Racine, Rock, Walworth, and Washington. The city of Madison set a record snow total of 101.4 inches, breaking the previous record of 76.1 inches in 1978-79. Snow melts into already saturated ground from fall storms, resulted in Spring 2008 river levels that were higher than they had been for years.

In June and July of 2008, numerous counties in Southern Wisconsin experienced heavy rain, hail, and damaging winds that resulted in record flooding. Supercell thunderstorms and sustained rainfall of two inches per hour in some areas caused flash flooding. Recurring rains over an extended period added more water to already flooded areas causing road closures, mudslides, and washouts. High winds, rotating wall clouds, and tornadoes added to the destruction and damage. Sandbagging held back the water in some areas, but was not enough in others. Evacuations were implemented. When the rains and severe weather finally subsided, five all time river cresting records were set and many others were at or near record levels.

Thirty one of Wisconsin's 72 counties were declared as Presidential disaster areas. Residents of all but one (Lafayette) of the declared counties are eligible for FEMA Individual Assistance to help with housing repair costs. Almost 41,000 households registered with FEMA. FEMA estimates indicate that the IA unmet need exceeds \$92 million. There is a significant gap between flood repair costs and the assistance that could be provided through FEMA, insurance and alternative sources. Communities in all but one (Manitowoc) of the declared counties are eligible for FEMA's Public Assistance Program. FEMA assistance can provide up to 75% of the cost of the repair of public infrastructure. The State has estimated that there is \$40 million in total unmet infrastructure needs to provide the required match for FEMA's Public Assistance Program.

The following are some of the estimated impacts and recovery needs compiled by the Wisconsin Recovery Task Force in just the business, housing, and infrastructure categories. (The full Wisconsin Recovery Task Force Report to the Governor (Nov. 2008) is available at: <http://rtf.wi.gov/LinkClick.aspx?fileticket=Bix1qlkAtVg%3d&tabid=36&mid=481>.)

Economic and Business

- \$400 million of crop losses with low-lying farm field hardest hit.
- Significant percentage of fresh vegetable and organic farms impacted.
- 38 counties designated eligible for USDA assistance by the Secretary of Agriculture in October 2008.
- \$260 million in unmet business needs estimated for more than 5,200 businesses that applied to SBA for loans.
- \$7.0 million in damages to Tyson Foods in Jefferson. Forced to cut production resulting in the loss of 200 permanent positions.
- \$1.5 million in damages to Evonik Goldschmidt Corporation. Forced to cease production for nearly a month.

- 1,777 workers laid off in July due to plant closures.
- 71% increase in initial claims for unemployment insurance; initial claims increased by over 31,500 from May through July 2008.
- 75% decline in tourism revenues in certain disaster areas.
- \$20 million lost business in Lake Delton, a popular tourist destination, after a breached embankment drained the lake (and washed away several houses).

Housing

- Over \$92 million unmet housing needs for the almost 41,000 households registered with FEMA.
- \$12,189,774 in 1,364 claims filed with the National Flood Insurance Program.
- \$36.5 million in SBA loans approved for 1,733 individuals.
- Publicly financed multifamily and elderly affordable housing stock received limited flood damages.
- \$46.7 million in housing assistance provided by FEMA (includes rental assistance, minimal repair grants, and replacement).
- \$51 million needed to acquire 345 substantially damaged properties in 24 targeted communities.

Infrastructure

- \$40.0 million in total unmet infrastructure needs to provide the required state and local match for FEMA's Public Assistance Program.
- 844 local, county, state and private non-profit organizations have applied for the Public Assistance Program.
- WisDOT estimates \$30 million in damages to On-System Roads and Bridges.
- \$20.5 million in County/Local Routes (non-federal aid roads).
- \$5.6 million in claims for municipal buildings have been submitted to the Office of the Insurance Commissioner.
- \$17.5 million in damages to publicly owned dams.
- \$2.5 million of damages to privately owned dam structures.
- \$25.0 million for municipally owned Water Supply Systems and Wastewater Treatment Plants.
- \$3.3 million for DNR owned Natural Resource Facilities (State Parks, trails, and forests, wildlife management areas, marshes, boat access facilities, endangered resource areas, fishery facilities, and restoration projects)

SUMMARY TABLE

Interim Estimates on Disaster Damages, Recovery Funding & Unmet Needs		
Category	Initial Damage Assessment	Cost
A	Agricultural crop damages	\$400 million
A	Restoration of small watershed dams (NRCS Dam Rehab Program)	\$ 6 million
B	Damages to small businesses	\$260 million
H	Housing damages (FEMA IA, HMGP, NFIP, & SBA)	\$153.5 million
I	Federal Highway damages (On-System roads and bridges)	\$ 30 million
I	County/Local Roads (Non-federal aid roads)	\$ 20.5 million
I	State and private railroads	\$ 1.75 million
I	Municipal water supply systems	\$ 5 million
I	Municipal waste water treatment systems	\$ 20 million
I	DNR-own natural resource facilities (parks, trails, boat ramps, etc)	\$ 3.3 million
I	County airports	\$56,000
I	Municipal buildings (claims made to State Insurance Commission)	\$ 5.6 million
I	Privately owned dams	\$ 2.5 million
I	Publicly owned dams	\$ 17.5 million
	Subtotal - Initial Damage Assessment	\$925.7 million
Category	Expended, Allocated, or Obligated Funds	Cost
A	Watershed, floodplain and conservation practices (DNR, NRCS)	\$ 1.1 million
B	SBA low interest loans	\$ 7.4 million
B	WI DOC commits small cities CDBG funds for small business loans	\$ 3 million
B	Rural Business Enterprise Grants (USDA RDA) small business loans	\$ 2.7 million
B	Tourism Recovery Grants to tourism destination marketing NPOs	\$250,000
B	3 staff for WI DOC (EDA grant to non-RPC counties for Eco. Dev.)	\$800,000
P	Wisconsin Food Share (USDA funding)	\$ 4.2 million
P	Salvation Army provision of essential needs (food, water, etc)	\$200,000
P	Repair to 2 Head Start Centers (US PHHS)	\$17,370
M	2007 HMGP state/local match for buyouts and flood proofing (CDBG)	\$ 4.2 million
H	2008 HUD disaster supplemental funds for WI	\$ 24 million
H	Housing Preservation Grant (USDA) repair of low-income homes	\$135,250
H	Repair of WHEDA-damaged multi-family units	\$100,000
M	WI DOC 2008 CDBG (for mitigation, rehab & infrastructure)	\$ 11 million
H	NFIP claims to date	\$ 12.2 million
H	SBA low interest loans for housing	\$ 36.5 million
H	FEMA Housing Assistance (IA/rental/repair/replacement)	\$ 53.8 million
I	FEMA Public Assistance Funding	\$ 87 million
	Subtotal - Recovery Funding	\$248.6 million
Category	Remaining Unmet Needs	Cost
A	Watershed, floodplain and conservation practices (DNR, NRCS)	\$ 10.6 million
A	Restoration of small watershed dams (NRCS Dam Rehab Program)	\$ 6 million
A	Study on AG community participation in crop insurance programs	\$200,000
M	Shortfall in mitigation projects	
M	* acquisition and demolition of residences (state/local matches)	\$ 22 million
M	* 2008 HMGP apps (other than acquisition/demolition)	\$ 40 million
I	Unmet Infrastructure needs	\$ 40 million
LTCR	Gays Mills LTCR (assumes EDA grant approved for \$2.5 million)	\$ 2.5 million
H	HUD estimate of Unmet Housing Needs	\$ 33.8 million
B	HUD estimate of Unmet Business Needs	\$ 7.4 million
	Subtotal - Unmet Needs	\$162.5 million
A = Agriculture; B = Business; I = Infrastructure; M = Mitigation; P = Public Health/Human Needs; LTCR = Long Term Community Recovery		

FEDERAL AND STATE RESPONSES TO DATE

Congress passed the Supplemental Appropriations Act, 2008 (Public Law 110-252, June 30, 2008), which appropriated \$300,000,000 in supplemental Community Development Block Grant disaster recovery funds for Midwest Flooding in areas covered by a Presidential declaration of major disaster under title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act. In September, 2008, HUD published an initial Wisconsin allocation of \$5 million, based on preliminary data, for recovery from the impacts of the severe storms, tornadoes, and flooding experienced in Wisconsin. In December, HUD published the final allocation with Wisconsin receiving an additional \$19,057,378 of the remaining supplemental funds bringing the total Wisconsin allocation to \$24,057,378.

As the series of catastrophic weather events unfolded, Governor Doyle, state and federal agencies, tribes, the UW, and community partners joined forces to collaborate and respond quickly and efficiently to address needs throughout Southern Wisconsin.

Governor Doyle implemented the State Emergency Operations Plan on June 5. The State Emergency Operations Center was activated and continued to operate on a 24/7 basis for a three week time period. The Governor requested a joint federal/state preliminary damage assessment (PDA) on June 10. The PDA resulted in 30 counties approved for federal help in Individual Assistance (IA) and 30 counties receiving Public Assistance (PA). A total of 31 counties were designated under FEMA-1768-DRWI.

On June 25, Governor Doyle created the Wisconsin Recovery Task Force (WRTF) for coordinating state efforts in mitigation, agriculture, business, housing, human needs and infrastructure. Under the direction of the State Coordinating Officer (Johnie Smith, WEM) and Federal Coordinating Officer (Dolph Diemont, FEMA), the efforts of the WRTF expanded to include federal, state, tribal, local, and community partners.

The Wisconsin Recovery Task Force mission is to assist individuals, businesses and communities recover quickly, safely, and with more resilience to disasters. The critical focus areas include securing funding and other resources needed for the recovery; establishing principles and policies for redevelopment; leading long term community and regional planning efforts; ensuring transparency and accountability in the investment of recovery funds; and communicating progress.

Representatives from 46 agencies and organizations served on six WRTF subcommittees, meeting weekly, to develop a Recovery Plan that addressed the needs and priorities established by Governor Doyle.

Recovery Task Force/Subcommittee Objectives

Agriculture – economic recovery

Business – economic recovery

Housing – long term, short term, availability, & affordability

Infrastructure – restoration & improvement

Human Needs – volunteer recovery efforts, donations, and regional long-term recovery committees

Mitigation - rebuilding safer & damage prevention

Completed WRTF subcommittee reports are available at:
<http://rtf.wi.gov/LinkClick.aspx?fileticket=Bix1qlkAtVg%3d&tabid=36&mid=481>.)

The long-term mission of the WRTF is to build, sustain, align, and leverage relationships developed during the recovery efforts of FEMA-1768-DR-WI, effectively coordinate the identification and prioritization of long-term needs of communities, and to recommend actions.

As identified in the Summary Table in the previous section, programs in several agencies and organizations redirected significant financial and staff resources for flood recovery efforts. The Department of Commerce redirected \$14 million of available State CDBG formula grant funds for flood recovery including \$11 million for housing and public infrastructure assistance and \$3 million for business assistance.

CONSULTATION WITH LOCAL GOVERNMENTS

From the start of the flood event Wisconsin agencies, particularly the WI Emergency Management agency, partnering with federal agencies and local partners, aggressively provided outreach and consultation with the 31 counties, their local units of government, and citizens affected by the severe weather. These efforts resulted in detailed overviews of the PA process and then aiding local government in the Request for Public Assistance process.

As noted in the previous section, the WRTF coordination of state efforts in recovery and mitigation resulted in extensive contacts with local governments by committee members. The WRTF mission is to assist individuals, businesses, and communities recover quickly, safely, and with more resilience to disasters.

Commerce responded quickly, like other state agencies with programs that can be engaged to address disaster events, to activate its CDBG Emergency Assistance Program (EAP). The CDBG-EAP initially contacted all disaster-affected local governments by email and through press releases. These contacts provided information on the State's CDBG formula funds available to them and requested priorities for additional CDBG supplemental funding. CDBG-EAP staff followed-up with countless phone and site consultations to provide technical assistance in identifying needs and obtaining funds.

In addition, the State and FEMA determined that Gays Mills and Rock Springs, communities severely impacted by the disaster with substantial portions of their permanent housing and businesses lost, could use additional support and requested that FEMA activate its Long Term Community Recovery Team (LTCR) for this purpose. A disaster recovery plan has been compiled by the LTRC for Gays Mills, along with a grief report outlining recommended recovery actions for Rock Springs.

PROMOTION OF SHORT TERM AND LONG TERM RECOVERY

The following immediate (short-term) and longer term recommendations for action come from the Wisconsin Recovery Task Force REPORT TO THE GOVERNOR.

Short-Term Recommendations

The mission of the WRTF is to assist individual, businesses, and communities recover quickly, safely, and with more resilience to disasters.

The short-term critical focus areas include:

- Securing funding and other resources needed for the recovery
- Establishing principles and policies for redevelopment,
- Ensuring transparency and accountability in the investment of recovery funds,
- Communicate effectively

The major findings of the WRTF to promote short-term recovery include:

- Catalogue resources available to assist with businesses disaster recovery.
- Coordinate and share information between multiple local, state and federal agencies.
- Assess damage to all infrastructure sectors including public buildings, waterways, transportation, wastewater and natural resources.
- Provide technical assistance to local governments on public water supply and wastewater treatment plants damaged in recent flooding.
- Emphasize mitigation opportunities and repairing to code.
- Develop innovative solutions and multiple funding partners to replace affordable single family and multifamily housing in these targeted communities
- Develop strategies for addressing long term public health issues and targeting vulnerable populations.
- Implement crisis counseling program to address mental health needs; hire case management workers to serve in targeted communities.
- Implement the AidMatrix portal to help disaster victims on the road to recovery. AidMatrix is a web-based donation management system that links together those making contributions with those that most need them.
- Wisconsin 2-1-1 call centers work with response agencies to provide information and referral services to flood victims.
- Monitor unemployment rates, layoffs and unemployment claims to determine disaster impacts and priority areas for assistance.
- WEM will continue to provide technical assistance to the 47 communities that have expressed an interest in funding for the acquisition of substantially damaged properties resulting from the 2008 flood event.

The long-term mission of the WRTF is to build, sustain, align, and leverage relationships developed during the recovery efforts of FEMA-1768-DR-WI, effectively coordinate the identification and prioritization of long-term needs of communities, and to recommend actions.

The major findings of the WRTF to promote short-term recovery include:

- Develop and maintain a directory of financial and technical resources for business assistance that is readily and immediately available following a disaster event.
- Developed strategies for addressing long term public health issues and targeting vulnerable populations.

- Study flood effects on interstate system and alternatives to make them less vulnerable to closure during future flood events.
- Continue to monitor impacted dams and status of orders to repair them.
- Address lack of funding sources for some types of infrastructure, particularly numerous privately owned small watershed dams.
- Reevaluate of bridge and roadway design standards to consider climate effects and incorporate updated NOAA precipitation frequency estimates.
- Evaluate the need to increase the number of gauging stations to provide better stream flow information during flood events.
- Continue to reach out to sanctioned or nonparticipating communities in the National Flood Insurance Programs to bring them into the program or compliance.
- Encouraging the development of local hazard mitigation plans and providing technical assistance to those in the process of developing them.
- Document success stories and best practices, such as the limited flood damages in Darlington following many years of participation in FEMA’s hazard mitigation programs.
- Apply lessons learned from the long term community recovery planning efforts in Gays Mills and Rock Springs (FEMA LTRC) to other targeted communities from this disaster and for future recovery efforts.

METHOD OF DISTRIBUTION

As provide in this Supplemental Appropriation Act, 50% of the aggregate of the supplemental funds will support activities producing benefit to low- and moderate-income persons. Every activity will meet one of the three national objectives: Benefiting Low- and Moderate-Income Persons; Preventing or Eliminating Slums or Blight; and, Meeting Urgent Needs.

Housing Activities

Housing Rehabilitation

CDBG funds will be used for the repair of low and moderate-income (LMI) owner occupied housing that is the principal place of residence.

1. Allocation for Activity: \$816,875
2. National Objective/Regulatory cite: Low-, and moderate-income persons benefit. 24 CFR 570.202 eligible rehabilitation and preservation activities
3. Eligible Applicants: Units of General Local Government, including CDBG “Entitlements” located in the Presidential-declared areas.
4. Threshold Criteria: Activities will repair and rehabilitate housing units damaged in the 2008 disaster and located in the Presidential-declared areas.
Criteria for Selection:
 - The percentage of low- and moderate income household beneficiaries.
 - Insufficient other local, state, or federal funds to cover the costs of project.
5. Grant Size Limits: No single project may be awarded for more than 10% of this Supplemental Funding.

Housing Buyouts – FEMA Match

CDBG funds will be used for up to 12.5% local match required for the FEMA home buyouts in flood-prone areas.

1. Allocation for Activity: \$3,895,977
2. National Objective/Regulatory cite: Low-, and moderate-income persons benefit. 24 CFR 570.201(a) Acquisition, (b) Disposition
3. Eligible Applicants: Eligible applicants to the FEMA Hazard Mitigation Grant Program
4. Threshold Criteria: Award commitment for the FEMA Hazard Mitigation Grant Program for housing buyouts.
Criteria for Selection: Projects will be funded in order of priority determined by the Wisconsin Emergency Management Division
5. Grant Size Limits: No single project may be awarded more than 30% of the funds available for this activity.

Public Facilities and Services Activities

Public Infrastructure & Facilities

CDBG funds will be used for projects that were damaged by the disaster and CDBG gap funds are critical to recovery. Examples include repair and replacement of water and sewer systems, streets, storm drainage, public buildings local citizens use (ex. libraries and community/senior centers but not buildings for the conduct of government).

1. Allocation for Activity: \$14,135,771.62
2. National Objective/Regulatory cite: Low-, and Moderate-Income persons benefit or Urgent Local Need. 24 CFR 570.
3. Eligible Applicants: Units of General Local Government, including CDBG “Entitlements” located in the Presidential-declared areas.
4. Threshold Criteria: Project will address need arising from the 2008 disaster and be the best alternative to resolve the need.
Criteria for Selection:
 - Urgency of the need for the facility; threat to health, safety, or welfare.
 - Insufficient other local, state, or federal funds to cover the costs of project.
 - Use of additional local resources in place of the CDBG assistance would place an undue burden on residents, especially low- and moderate income households.
5. Grant Size Limits: No single project may be awarded for more than 25% of funds available for this activity.

Mitigation Activities

CDBG funds will be used for projects that relate to the repair, renovation, and expansion of facilities to improve the disaster resistance of buildings, structures, and infrastructure. Examples include repair and replacement of publicly owned dams, equipment, flood control activities, and relocation of vital facilities out of hazardous areas.

1. Allocation for Activity: \$4,370,627.05

2. National Objective/Regulatory cite: Low-, and Moderate-Income persons benefit or Urgent Local Need. 24 CFR 570.
3. Eligible Applicants: Units of Local Government, including CDBG “Entitlements” located in the Presidential-declared areas.
4. Threshold Criteria: Project will address need arising from the 2008 disaster and be the best alternative to resolve the need.

Criteria for Selection:

- Urgency of the need for the facility; threat to health, safety, or welfare.
 - Insufficient other local, state, or federal funds to cover the costs of project.
 - Use of additional local resources in place of the CDBG assistance would place an undue burden on residents, especially low- and moderate income households.
5. Grant Size Limits: No single project may be awarded for more than 25% of funds available for this activity.

State Administration

State administration including sub-grantee administration will include direct personnel expenses (salary and fringe benefits), direct and indirect expenses, equipment, consultants, and other operating expenses involved in selection, funding, assisting, and monitoring sub-grantee projects, detailed quarterly reporting to HUD, and documentation of adherence to all laws and regulations.

1. Allocation for Activity: \$838,126

HIGH QUALITY, DURABILITY, ENERGY EFFICIENCY, AND MOLD RESISTANT CONSTRUCTION METHODS

All housing activities involving the construction or rehabilitation of multi-family and single-family dwellings must meet all building codes and standards adopted and enforced by the State of Wisconsin as well as any local ordinances that exceed State codes and standards.

The State Building Code (Division of Buildings and Safety, Department of Commerce) has adopted the International Building Code and related publications.

All housing activities shall be designed to achieve maximum energy efficiency to the extent that this can be accomplished on a cost-effective basis, considering construction and operating costs over the life cycle of the structure. Efficiency may be demonstrated through design based on LEED, Energy Star, and/or other comparable guidelines and rating systems.

ADEQUATE, FLOOD-RESISTANT HOUSING FOR ALL INCOME GROUPS THAT LIVED IN THE DISASTER-IMPACTED AREAS

Commerce will use a portion of its CDBG supplemental appropriation to mitigate the unmet affordable housing needs in disaster-impacted communities through voluntary acquisition, rehabilitation, and homebuyer assistance. Commerce will contract with county CDBG agencies to coordinate housing rehabilitation and assistance activities throughout their county.

The impacted community will be the sub-grantee for buyout and demolition of substantially damaged residential units.

All new construction and rehabilitation must keep in mind the needs of the potential occupants of the units, particularly the needs of those persons with disabilities.

Wisconsin addresses its emergency shelter and transitional housing needs through its local Continuums of Care. Commerce administers state and federal homeless programs that provide emergency shelter and transitional housing funds to entities throughout the state. The needs of the homeless and those at risk of homelessness are being addressed through these programs. WIFrontDoor.org, an extensive online interactive database of available affordable rental units across the state has also been a useful tool in matching households with housing. Wisconsin expects that WIFrontDoor.org will continue to be available in future disasters.

Immediately following the disaster, the Wisconsin Housing and Economic Authority applied for and received waivers on income restrictions to allow more disaster victims to access income restricted housing projects.

MONITORING

Commerce will use these CDBG Program policies and guidelines in monitoring grantees:

A. Monitoring of local programs is the responsibility of all staff members, and monitoring is an ongoing activity.

B. Monitoring is carried out by on-site reviews; desk reviews of routine or special performance reports; rental compliance; financial audits; other verbal and written exchanges with the Grantee; conversations with Grantee, clients, and fellow funders or partners of the Grantee; etc. At least one of these methods is conducted at least once during the contract per applicable federal or state regulations. Commerce uses a risk assessment tool or performs individual risk assessments to evaluate grantee performance factors and determine the appropriate level of monitoring.

C. On-site field monitoring visits are conducted per established monitoring formats.

D. Every attempt will be made to provide written notice at least 14 days in advance of the scheduled visit.

E. On-site monitoring visits are coordinated, where possible, for Grantees administering more than one DHCD program. The scope of the on-site monitoring review is as comprehensive as possible, taking into consideration all applicable contractual, program, and state and federal requirements.

F. Every attempt is made to complete and mail out a follow-up monitoring letter within 40 days of the visit. A copy of this letter is sent to the Bureau Director, who will be responsible for alerting other applicable program staff of potential problems.

G. If concerns, deficiencies, or findings are identified the Grantee is asked to take steps to resolve these and respond by letter within 60 days. For HQS [Housing Quality Standards] project deficiencies identified, a rework letter is issued as soon as possible (even prior to the formal monitoring letter) to inform grantees of the project items that need to be corrected. Timely issuance of this letter to stimulate correction of health or safety hazards and to take advantage of the six-month project funding window is important. Appropriate follow up as well as an acknowledgment letter is provided on a timely basis.

H. All monitoring materials, correspondence, etc. are included in the Grantee's official file located at DHCD.

STEPS THE STATE WILL TAKE TO AVOID OR MITIGATE OCCURENCES OF FRAUD, ABUSE, AND MISMANAGEMENT

Administration and Staffing

The Department of Commerce will provide technical assistance to local government grant recipients and undertake administrative and monitoring activities to ensure compliance with applicable federal requirements.

National Objective

All activities must meet one of the three national objectives set out in the Housing and Community Development Act (addressing slum and blight, urgent need, or primarily benefit LMI persons). At least 50% of the Supplemental Funding will be used for activities that meet the National Objective of primarily benefiting persons of low- and moderate-income.

Administrative Costs

Sub-grantees are strongly encouraged to minimize their administrative costs so that the amount available for program activities will be maximized. To promote this goal, the amount of allowable sub-grantee administrative costs will be capped at a reasonable amount for each of the various activity categories (i.e. FEMA buy-out, housing repair, public facilities, business assistance), but will not exceed 10% for any of the categories.

Program Changes through Contract Amendments

All sub-grantees will be encouraged to carefully plan projects that meet the stated requirements and to specify activities, associated costs, and proposed accomplishments and beneficiaries in order to reduce the need for amending contracts. Sub-grantees must contact Commerce prior to requesting an amendment or contract modification that affects the budget, activities, beneficiaries, or time frame for accomplishing the proposed activities. Substantial amendments may be cause to review the entire application submitted to determine if the project is meeting its stated goals and its timelines.

Documentation

The use of the disaster funding is contingent upon certain requirements, and both the state and local government will be expected to certify that these requirements will be met or carried out. The chief elected official, or designee authorized by the local governing authority of the local government applying for funds will be required to certify in writing that the grant will be carried out in accordance with applicable laws and regulations. In addition, local governments will be required to submit or maintain documentation that fully supports the application that is submitted to Commerce. Failure to document that the project is needed as a result of the disaster(s), or to mitigate the effects of future disasters, will result in an application being declared ineligible. If this discovery is made after an award has been made, the contract with the local government will be terminated and the local government will have to repay any funds received to that point.

Reporting

Each awarded applicant must report on a form provided by Commerce on the status of the activities undertaken and the funds drawn. Additional reporting requirements (i.e., annual audits, contractual obligations and minority business enterprise reports, as applicable) will be specified in the Grant Agreement.

Citizen Complaints

All sub-grantees and recipients need to establish procedures for responding to citizens' complaints regarding to activities carried out utilizing these funds. Citizens should be provided with an appropriate address, phone number, and times during which they may submit such complaints. Sub-grantees should provide a written response to every citizen complaint within 15 working days of the complaint.

Regulatory Requirements

Sub-grantees must comply with fair housing, nondiscrimination, labor standards, and environmental requirements applicable to the CDBG Program, as follows:

(i.) **Fair Housing:** Each Sub-grantee will be required to take steps to affirmatively further fair housing; and when gathering public input, planning, and implementing housing related activities, will include participation by neighborhood organizations, community development organizations, social service organizations, community housing development organizations, and members of each distinct affected community or neighborhood which might fall into the assistance category of low and moderate income communities.

(ii.) **Nondiscrimination:** Each Sub-grantee will be required to adhere to the State's established policies which ensure that no person be excluded, denied benefits or subjected to discrimination on the basis race, color, national origin, religion, sex, familial status, and/or physical and mental handicap under any program funded in whole or in part by Federal CDBG funds. Sub-grantees will be required to document compliance with all nondiscrimination laws, executive orders, and regulations.

(iii.) **Labor Standards:** Each Sub-grantee will be required to oversee compliance with Davis-Bacon Labor Standards and related laws and regulations. Regulations require all laborers and mechanics employed by contractors or subcontractors on CDBG funded or CDBG assisted public works construction contracts in excess of \$2,000, or residential construction or rehabilitation projects involving eight or more units be paid wages no less than those prescribed by the Department of Labor and in accordance with Davis Bacon Related Acts.

(iv.) **Environmental:** Specific instructions concerning environmental requirements at 24 CFR Part 58 will be made available to all Sub-grantees. Some projects may be exempt from the environmental assessment process. Funds will not be released for expenditure until Commerce is satisfied that the appropriate environmental review has been conducted. Sub-grantees will not use CDBG disaster recovery funds for any activity in an area delineated as a special flood hazard area in FEMA's most current flood advisory maps unless it also ensures that the action is designed or modified to minimize harm to or within the floodplain in accordance with Executive Order 11988 and 24 CFR Part 55.

ANTI-DISPLACEMENT AND RELOCATION

Recipients implementing activities identified in this Action Plan are expected to ensure the assistance and protections afforded to any persons or entities under the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) of 1970 (URA), as amended and section 104(d) of the Housing and Community Development Act of 1974 (HCD), as amended. Commerce plans to exercise the waivers set forth in Federal Register Vol. 73 No. 177 pertaining to URA and HCD given its priority to engage in voluntary acquisition and optional relocation activities to avert repeated flood damage and to improve floodplain management.

ACTION PLAN AMENDMENTS

The following events would require a substantial amendment to the Action Plan:

- Addition or deletion of any allowable activity described in the Plan;
- Change in the planned beneficiaries;

Substantial amendments to the Disaster Recovery Action Plan, if any, will be published on the Commerce website, emailed to affected units of general local government and will provide for a public comment period.

All comments will be considered.

CITIZEN PARTICIPATION AND RESPONSE TO PUBLIC COMMENT

The draft Action Plan was made available to citizens, affected local government, entitlement communities, and other interested parties via posting on the Commerce website (<http://commerce.wi.gov/cd/>) and through direct email notification to potential sub-grantees.

The public comment period for the draft Plan was March 12-18, 2009, with notification of the comment period published in the legal section of the Wisconsin State Journal on March 12.

In addition, the Commerce Public Information Office listserv for Minority Publications also provided timely notice of the Plan availability for public comment.

Commerce (did not receive/received ___) written comments during the public comment period. All comments regarding the Plan were considered.

2008 DISASTER RECOVERY COUNTY AND ENTITLEMENT CONTACTS

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MILWAUKEE CO	Leonard Jackson	(414) 278-5106	ljackson@milwcnty.com
WAUKESHA CO	Glen Lewinski	(262) 548-7921	glewinski@waukeshacounty.gov

CERTIFICATIONS FOR STATE GOVERNMENTS, WAIVER AND ALTERNATIVE REQUIREMENT

In accordance with the applicable statutes and the regulations governing the consolidated plan and the Supplemental Appropriations Act, 2008, the State certifies that:

a) The state certifies that it will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the state, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard. (See 24 CFR 570.487(b)(2).)

b) The state certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan in connection with any activity assisted with funding under the CDBG program.

c) The state certifies its compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms, if required by that Part.

d) The state certifies that the Action Plan for Disaster Recovery is authorized under state law and that the state, and any entity or entities designated by the state, possesses the legal authority to carry out the program for which it is seeking funding, in accordance with applicable HUD regulations and this Notice.

e) The state certifies that it will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR Part 24, except where waivers or alternative requirements are provided for this grant.

f) The state certifies that it will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR Part 135.

g) The state certifies that it is following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.115 (except as provided for in notices providing waivers and alternative requirements for this grant), and that each unit of general local government that is receiving assistance from the state is following a detailed citizen participation plan that satisfies the requirements of 24 CFR 570.486 (except as provided for in notices providing waivers and alternative requirements for this grant).

h) The state certifies that it has consulted with affected units of local government in counties designated in covered major disaster declarations in the nonentitlement, entitlement and tribal areas of the state in determining the method of distribution of funding;

i) The state certifies that it is complying with each of the following criteria:

1) Funds will be used solely for necessary expenses related to disaster relief, long-term recovery, and restoration of infrastructure in areas covered by a declaration of major disaster under title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) as a result of recent natural disasters.

2) With respect to activities expected to be assisted with CDBG disaster recovery funds, the action plan has been developed so as to give the maximum feasible priority to activities that will benefit low- and moderate-income families.

3) The aggregate use of CDBG disaster recovery funds shall principally benefit low- and moderate income families in a manner that ensures that at least 50 percent of the amount is expended for activities that benefit such persons during the designated period.

4) The state will not attempt to recover any capital costs of public improvements assisted with CDBG disaster recovery grant funds, by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless (A) disaster recovery grant funds are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than under this title; or (B) for purposes of assessing any amount against properties owned and occupied by persons of moderate income, the grantee certifies to the Secretary that it lacks sufficient CDBG funds (in any form) to comply with the requirements of clause (A).

j) The state certifies that the grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) and the Fair Housing Act (42 U.S.C. 3601-3619) and implementing regulations.

k) The state certifies that it has and that it will require units of general local government that receive grant funds to certify that they have adopted and are enforcing:

1) A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and

2) A policy of enforcing applicable state and local laws against physically barring entrance to or exit from a facility or location that is the subject of such non-violent civil rights demonstrations within its jurisdiction.

l) The state certifies that each state grant recipient or administering entity has the capacity to carry out disaster recovery activities in a timely manner, or the state has a plan to increase the capacity of any state grant recipient or administering entity that lacks such capacity.

m) The state certifies that it will not use CDBG disaster recovery funds for any activity in an area delineated as a special flood hazard area in FEMA's most current flood advisory maps unless it also ensures that the action is designed or modified to minimize harm to or within the floodplain in accordance with Executive Order 11988 and 24 CFR Part 55.

n) The state certifies that it will comply with applicable laws.

Signature/Authorized Official

Date

James O’Keefe, Administrator
Division of Housing and Community Development
WI Department of Commerce