COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) HOUSING PROGRAM MANUAL

Regions, Revolving Loan Fund (RLF),
Emergency Assistance Program (EAP)

WISCONSIN DEPARTMENT OF ADMINISTRATION

DIVISION OF ENERGY, HOUSING AND COMMUNITY RESOURCES (DEHCR)

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Revised August 2017

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A. INTRODUCTION

OVERVIEW

The Wisconsin Department of Administration (DOA), Division of Energy, Housing and Community Resources (DEHCR), administers the federally funded Community Development Block Grant (CDBG) Housing Program. The State is responsible for distribution of funds to Wisconsin Units of General Local Government (UGLG's) located in non-entitlement areas (i.e. outside of communities who receive an allocation of CDBG funds directly from the Unites States Department of Housing and Urban Development (HUD). These UGLG's may be local communities, counties or regional program administrators. Throughout this manual, all types of entities that receive funds from the state program are referred to as ***Grantees***.

In 2012 the State of Wisconsin began to use a regional approach to allocate CDBG housing funds (see map on page 7). The state is divided into 7 regions. Each region includes 9-12 counties. These Grantees are referred to as Regional Administrators. Other UGLGs have funds remaining from the prior allocation system, when funds were allocated directly to UGLGs. These are generally referred to as revolving loan fund (RLF) programs. ***The policies and procedures in this manual apply to all Grantees***. Where differences exist, they are noted in the manual. For example, there are two chapters on Financial Management, one referring to those UGLGs with active grants and one for RLFs. In addition, a chapter on the Emergency Assistance Program (EAP) is also included.

In the event of conflict between the language specified in the contract and this handbook or other supporting documents, the provisions in the contract regarding indirect costs shall take precedence.

CDBG PROGRAM OBJECTIVES

All CDBG funds must be used to meet one or more national objectives (low-moderate income, slum and blight, and/or urgent need) established by the federal government. DOA/DEHCR is responsible for the allocation of funds to local governments for programs to achieve these objectives.

The housing program is used to benefit low and moderate-income households by:

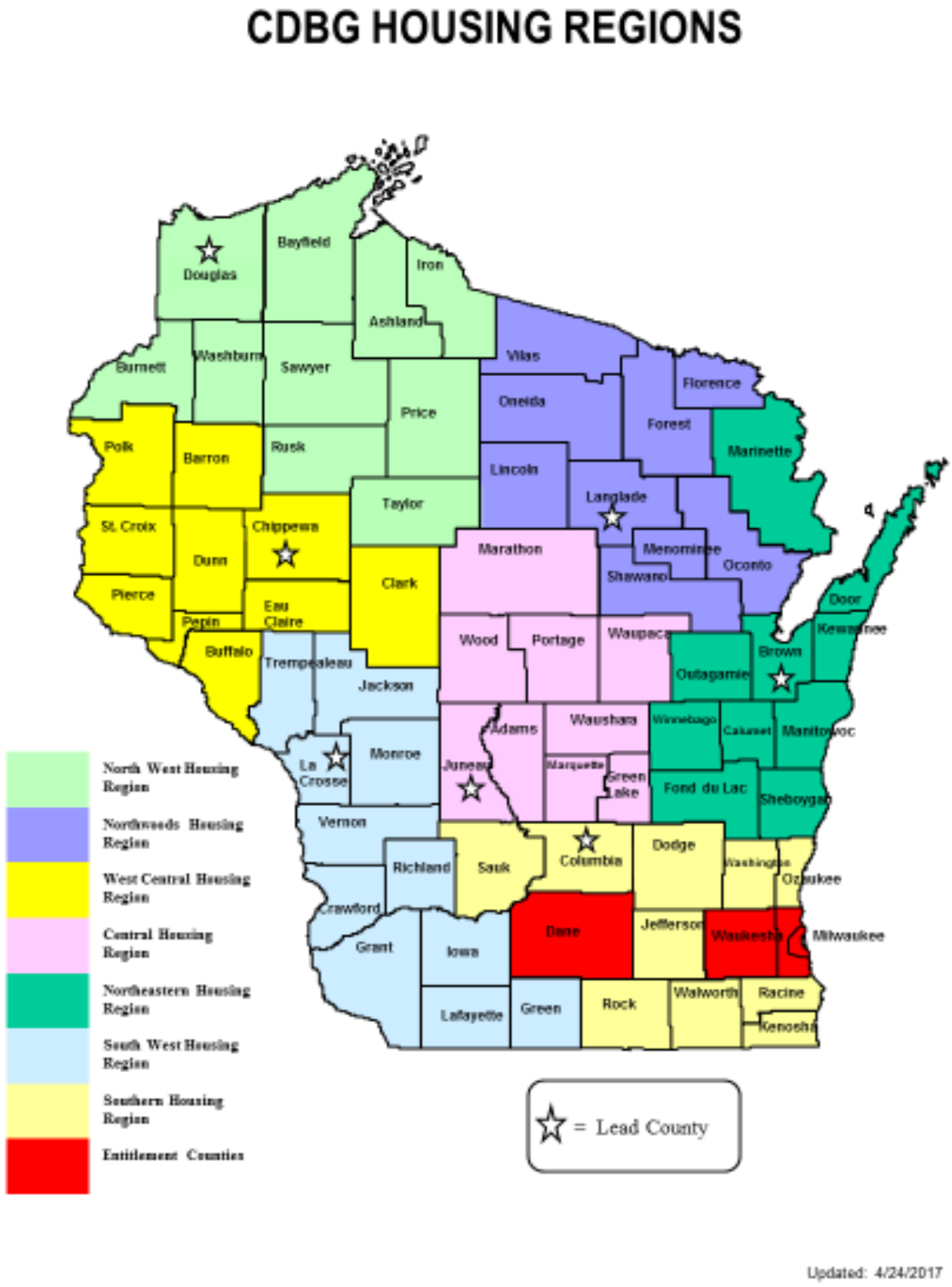
1. Expansion of affordable housing stock for low- and moderate- income (LMI) persons;
2. Elimination of housing conditions detrimental to public health, safety and welfare;
3. Conservation of the existing housing stock;
4. Provision of an opportunity for LMI renters to become homeowners;
5. Natural or man-made disasters (see EAP Chapter M);

The state provides funds for the following:

1. No-interest, deferred payment home repair loans for LMI owner-occupants (owner-occupied housing Rehabilitation loans);
2. 0% installment loans for repairing units rented to LMI tenants (rental Rehabilitation loans);
3. 0% installment loans for creating new LMI rental units by converting vacant properties into rental units and/or converting large single family homes to duplexes (rental development loans);

4. No-interest deferred loans for down payment and closing costs to eligible LMI households (down payment loans);
5. Grants to communities recovering from natural or man-made disasters (See EAP Chapter M);

CDBG Housing Regions Map



CDBG HOUSING MANUAL

This manual lays out the State of Wisconsin requirements for operation of Wisconsin CDBG Housing Programs. These policies and procedures use the federal requirements as the basis for program operation.

This manual is a guide and may be modified if there are changes in federal regulations, state requirements, or new interpretations of existing federal requirements. This MAY result in the need to make changes in established local policies and procedures. In the event that changes are made to the manual, DOA/DEHCR will issue special notices and/or schedule training. The Grantee is responsible for implementing changes made in their program operation. In the event of conflict between the language specified in a grantees' contract and this handbook or other supporting documents, the provisions in the contract shall take precedence.

GRANTEE RESPONSIBILITIES

Policies and Procedures

Grantees are responsible for implementing the policies and procedures described in this manual.

Written policies and procedures MUST be in place for:

1. Program Operation—Overall policies and procedures must be developed that specify how Grantees will operate programs at the local level. Policies and procedures must clearly specify application and selection procedures, methods for identifying contractors, work to be completed, and procedures used for loans made with program funds;
2. Financial Management—Policies related to management of funds;
3. Monitoring Policies—If the Grantee procures for and uses any other entity (administrator) for the operation of the programs on their behalf, the Grantee is responsible for monitoring these entities;
4. Housing Committee —The Grantee is responsible for establishing a housing committee that represents the service area;

Grantees must ensure the following specific areas are addressed in the written policies and procedures for:

1. Conflict of Interest
2. Internal Controls
3. Procurement
4. Allowable Costs (indirect vs. direct)
5. Record Retention/Destruction
6. Monitoring
7. Payments (advance vs. reimbursement)
8. Program Guidelines and Procedures (home owner Rehabilitation, home buyer assistance, etc.)
9. Complaint and Appeal Process

Staff Requirements

A single staff person must be designated by the Grantee to serve as the Grantee Program Manager. This person will serve as the primary contact for the staff administering the program for DOA/DEHCR. The Program Manager will oversee program compliance at the local level. If there is a change in the Grantee Program Manager, DOA/DEHCR staff must be informed.

In **staffing** the program, it is helpful to understand the specific skills that will be required. The Program Manager or Program staff needs to include individuals who can work effectively with people from diverse backgrounds, process administrative work and manage contractors.

Each property must have a Housing Quality Standards (HQS) inspection. This inspector must possess experience and knowledge in the area of housing construction, local codes, inspection (building, electrical, and plumbing) and cost estimating. The qualifications may include:

1. Hands-on experience in construction;
2. Hands-on experience in writing work specifications for residential rehabilitation;
3. Knowledge of lead-based paint safe work practices and requirements;
4. Knowledge of environmental review requirements;

These skills are necessary because of responsibility for:

1. Performing all HQS property evaluation, including initial, interim and final;
2. Ensuring that the Grantee is in compliance with CDBG rules and regulations related to the activities she/he executes. All rules must be followed at all times, including but not limited to lead-based paint, asbestos, equal opportunity, fair housing, procurement, etc.;
3. Providing the Grantee with work specifications (write-ups) that will bring each home up to decent, safe and sanitary condition;
4. Other duties as agreed upon between inspector and Grantee;

Housing Committee

Grantees must establish a CDBG Housing Committee. This committee will be responsible for the following:

1. Oversight of the CDBG program compliance;
2. Timeliness and Expenditures;
3. Provide outreach material throughout the community or region, which will include information about the program as well as eligibility criteria;
4. Setting priorities on how the funds will be distributed including funds for emergency projects;
5. Evaluate rent limits for rental projects;
6. Review potential conflict of interest loan application(s) and ensure compliance with Conflict of Interest policy;

It is NOT the committee's responsibility to approve individual loans. If a project is eligible based on the policies established in this manual, the project is generally approved.

B. APPLICATION

The Grantee must develop an application process that ensures that:

1. The program benefits low and moderate income (LMI) households;
2. Each applicant is treated equitably;
3. Information about the program is widely available to the population to be served, including non-English speaking applicants;
4. There is adequate opportunity for appeal of decisions related to eligibility and other program decisions;
5. No conflict of interest exists, and
6. Applicants are made aware of all relevant program requirements.

APPLICATION CONTENTS

The State has developed a**n Application Form.** This application must be used and can be modified with local agency and contact information. Any additional modifications to this application need to be approved by DOA/DEHCR.

The Application materials must include:

1. Income Checklist (list of all information necessary for income verification)
2. General Release of Information Form
3. Conflict of Interest
4. Lead-Based Paint Brochure and Receipt
5. A general description of the terms and conditions of the loan
6. The application must be accompanied by the appropriate signed Overview and Certification Form

APPLICATION DISTRIBUTION

Grantees should allow applications to be requested and received in hard copy or electronically. We encourage Grantees to make the application available on their website. Grantees should also provide the option for an applicant to come to their office for purposes of obtaining an application and/or assistance in completion of an application.

In addition to the application, the Grantee **Homeowner Rehabilitation Process Overview** document should be sent with the owner-occupied rehabilitation applications.

INTAKE

After receipt of an application, Grantee staff should contact the applicant either in person, by phone or by mail to request additional information, explain program requirements (including financial, insurance and procurement requirements), and describe the process and schedule. It is recommended the Grantee acquire a signed form confirming that applicant received a copy of the Grantee's **Homeowner Rehabilitation Process Overview**, and keep the signed signature page in the project file.

LOAN APPROVAL PRIORITIES

The Housing Committee must establish the priority in which applications will be considered. It may not be possible to fund all applications. Applications could be considered on a first-come, first-served basis or based upon need (emergency versus other). After the loan approval criteria have been established, these criteria should be strictly enforced to ensure equitable treatment of applicants.[1]

APPLICATION-APPROVAL OR DENIAL

An application is complete after all required information is submitted. The Grantee must clearly understand all eligibility and underwriting criteria to be able to approve and/or deny applications.

After application information is reviewed and compared to eligibility criteria, a decision will be made regarding eligibility. Once the decision has been made, a written Notice of Eligibility or Denial will be sent to the applicant. The Notice should clearly state the reason for denial.

APPEAL

The applicants may appeal any decision within 30 days after receipt of Notice. Every effort will be made to review and respond in a timely manner. The appeal process is as follows:

1. An appeal must be submitted in writing to the CDBG Grantee's designated contact person first for consideration and decision. The Grantee will consider the appeal and a written response will follow to the applicant.
2. If the applicant would like to appeal the Grantee's decision, the applicant must then submit in writing the appeal to the CDBG Housing Committee. The CDBG Housing Committee will review for consideration and a written response will follow to the applicant.
3. If the applicant would like to appeal the CDBG Housing Committee's decision, the applicant may appeal to DOA/DEHCR. DOA/DEHCR will review for consideration and a written response will follow to the applicant. The Division's determination on the appeal is final.

All CDBG Housing appeals will follow this process.

CONFLICT OF INTEREST[2]

The application process should ensure that there is no conflict of interest related to loan selection and approval. Conflict of interest provisions apply to any **person who is an employee, agent, consultant, officer, or elected official or appointed official of the state, or of a unit of general local government, or of any designated public agencies, or sub-recipients.** Except for eligible administrative or personnel costs, the general rule is that no persons described above who exercise or have exercised any functions

[1] No application should be approved or loans made which are in in conflict with Chapter 946.13, Wisconsin Statutes. Private interest in public contract prohibited.

[2] The Conflict of Interest is defined in 24 CFR 570.489(h) and ss. 946.13, Wis. Stats and ss. 19.59, Wis. Stats.

or responsibilities with respect to CDBG activities and who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from the activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties during their tenure or for one year thereafter.

For purposes of the CDBG Housing program "family" means:

1. Spouse
2. Fiancée/Fiancé
3. Children and Step Children
4. Brothers and Brothers-in-Law
5. Sisters and Sisters-in-Law
6. Parents and Parents-in-Law

Anyone who receives more than 50% of their support from the person (e.g., adopted child, foster child) is also ineligible.

CONFLICT OF INTEREST WAIVER PROCESS

A waiver from the Conflict of Potential Conflict of Interest may be requested from DOA/DEHCR. Prior to submitting the request, public disclosure of the potential conflict must be made. An opinion must be obtained from the local Grantee's Attorney stating that the interest for which the exemption is sought would not violate state or local law.

Use the following steps to determine a potential conflict of interest:

1. Identify "covered persons" for your CDBG program;
2. Add "disclosure of potential conflicts of interest" as a standing item on your housing committee meeting agenda;
3. Inform applicants with potential conflict of interest that their name will be disclosed at the local Housing Committee meeting;
4. The covered person(s) should not attend this meeting;
5. After loans have been presented, disclose the names and the nature of the conflicts of interest (type of family or business tie) for applicable approved loans. DO NOT disclose loan number or proposed work;
6. Ask all in attendance at the loan approval meeting if there are any objections to awarding the loans in question. Document any objections in the meeting minutes;
7. The Grantee's attorney must certify that the identified potential conflict would not violate state or local law. "Request for Exception to Conflict of Interest Provision", specifies the format for that letter.

8. Submit “REQUEST FOR EXCEPTION TO CONFLICT OF INTEREST PROVISION” on municipal letterhead, signed by the municipal attorney, and the agenda and minutes of the meeting to DOA/DEHCR.

DO NOT sign any loan closing documents until you have received approval from DOA/DEHCR. Any loan that is made where an appearance of conflict exists (and no waiver has been approved) is subject to repayment.

Sample Application Language: Conflict of Interest

In order to assess whether there is an apparent conflict of interest, Grantee must gather this information at the point of application submittal. The following question must be included on the initial loan application form:

Do you have family or business ties to any of the following people? __yes __no

A list of covered persons (for example, Mayor, member of the Housing Committee, City Council member) must be included on the application form. The applicants must answer this question regardless of whether there is a relationship or not.

* The Grantee must work with your local attorney to identify the list of covered persons. Covered persons must be identified with their proper name(s).

C. DETERMINING INCOME

In order to receive CDBG assistance, households must have incomes at or below 80 percent of the median household income for the geographic area, adjusted for household size, and determined annually by HUD. The annual income definition found at 24 CFR Part 5 is used by a variety of Federal programs and should be used to determine eligibility for all Wisconsin CDBG Housing programs.

NOTE the Part 5 definition of income is used to determine eligibility; annual income is calculated by projecting a household's income in the future and comparing this calculated amount to the HUD limits (by family size).

ANTICIPATING INCOME

For the purpose of determining eligibility, the Grantee must project a household's income in the future by evaluating current circumstances. The assumption is that today's circumstances will continue for the next 12 months unless there is verifiable evidence to the contrary. This method should be used even when it's not clear that the type of income received currently will continue in the coming year. For example, unemployment benefits must be included in income projections if the applicant is receiving unemployment and even if there is a chance a person may be employed in the future. The exception to this rule is when documentation is provided that current circumstances are about to change.

NOTE: Income verification is valid for a 6 month period (beginning with mailing of eligibility determination letter). If the project has not started (signed loan documents) within the 6 month period, the household's income must be re-verified.

VERIFYING INCOME

The preferred method of determining income eligibility is by third party verification. To conduct third-party verification, a Grantee must obtain a written release from the household that authorizes the third party to release required information. Conversations with third-party, such as employer may be acceptable if documented through notes to file, including contact name, address, phone number, information conveyed, and date of a call.

Another way to verify income is to collect source documentation. The source documents, such as wage statement and/or unemployment compensation statements must be maintained in the file. Three (3) consecutive months' worth of source documentation is an appropriate amount upon which to base a projection of income over the following 12-month period. Calculation of the annual salary must include any expected cost of living increases (COLA's), bonuses, raises, and overtime pay. If it is determined that an applicant has earned overtime and will continue to earn overtime pay on a regular basis, the Grantee should calculate the average amount of overtime pay earned by the applicant.

For those whose annual employment is less stable or does not conform to a 12-month schedule, the Grantee should examine income documentation that covers the entire previous 12 months.

For those who are self-employed and file quarterly taxes, 3 consecutive quarterly tax statements shall be used to project the next 12 months. For those that do not file quarterly taxes, the three prior years of income taxes shall be averaged to project forward over the next 12 months.

Although it is not part of the income calculation, it is advisable to collect the prior year's taxes for all households to assure all sources of income are included in the income calculation.

INCOME CALCULATION

The CDBG program requires that income of all adult household members be included in the determination of income. The Part 5 definition of annual income provides specific guidance pertaining to whose income in a household must be included in that calculation.

Income Inclusions

1. The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips, bonuses, and other compensation for personal services.
2. The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.
3. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in number 2 (above). Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of $5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD.
4. The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except as provided in number 14 of Income Exclusions).
5. Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay (except as provided in number 3 of Income Exclusions Section).

6. Welfare Assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income:
    a. Qualify as assistance under the TANF program definition at 45 CFR 260.31; and
    b. Are otherwise excluded from the calculation of annual income per 24 CFR 5.609(c);

    (If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of):

    c. The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus
    d. The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is reduced from the standard of need by applying a percentage, the amount calculated per 24 CFR 5.609 shall be the amount resulting from one application of the percentage.
7. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling.
8. All regular pay, special pay, and allowances of a member of the Armed Forces (except as provided in number 8 of Income Exclusions Section).

Income Exclusions

The following types of income are excluded:

1. Income from employment of children (including foster children) under the age of 18 years.
2. Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone).
3. Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains, and settlement for personal or property losses (except as provided in number 5 of Income Inclusions Section).
4. Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member.
5. Income of a live-in aide (as defined in 24 CFR 5.403).
6. Certain increases in income of a disabled member of qualified families residing in HOME assisted housing or receiving HOME Tenant Based Rental Assistance (24 CFR 5.671(a)).
7. The full amount of student financial assistance paid directly to the student or to the educational institution.

8. The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.

9. (a) Amounts received under training programs funded by HUD.
   (b) Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self- Sufficiency (PASS).
   (c) Amounts received by a participant in other publicly assisted programs that are specifically for, or in reimbursement of, out-of-pocket expenses incurred (special equipment, clothing, transportation, childcare, etc.) and which are made solely to allow participation in a specific program.
   (d) Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed $200 per month) received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of the PHA's governing board. No resident may receive more than one such stipend during the same period of time.
   (e) Incremental earnings and benefits resulting to any family member from participation in qualifying state or local employment training programs (including training not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment training program.

10. Temporary, nonrecurring, or sporadic income (including gifts).

11. Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era.

12. Earnings in excess of $480 for each full-time student 18 years old or older (excluding the head of household or spouse). The first $480 will be included in the income.

13. Adoption assistance payments in excess of $480 per adopted child.

14. Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts.

15. Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit.

16. Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home.

17. Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c)

apply. A notice will be published in the Federal Register and distributed to housing owners identifying the benefits that qualify for this exclusion.

Updates will be published and distributed when necessary. The following is a list of income sources that qualify for that exclusion:

- The value of the allotment provided to an eligible household under the Food Stamp Act of 1977.
- Payments to volunteers under the Domestic Volunteer Service Act of 1973 (employment through AmeriCorps, VISTA, Retired Senior Volunteer Program, Foster Grandparents Program, youthful offender incarceration alternatives, senior companions).
- Payments received under the Alaskan Native Claims Settlement Act.
- Income derived from the disposition of funds to the Grand River Band of Ottawa Indians.
- Income derived from certain sub-marginal land of the United States that is held in trust for certain Indian tribes.
- Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (this includes payments from DEHCR Public Benefits Fund)
- Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721).
- The first $2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U.S. Claims Court and the interests of individual Indians in trust or restricted lands, including the first $2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands.
- Amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under the Federal work study program or under the Bureau of Indian Affairs student assistance programs.
- Payments received from programs funded under Title V of the Older Americans Act of 1985 (Green Thumb, Senior Aides, Older American Community Service Employment Program).
- Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in the In Re Agent Orange product liability litigation, M.D.L. No. 381 (E.D.N.Y.).
- Earned income tax credit refund payments received on or after January 1, 1991, including advanced earned income credit payments.

- The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990.
- Payments received under programs funded in whole or in part under the Job Training Partnership Act (employment and training programs for Native Americans and migrant and seasonal farm workers, Job Corps, veterans employment programs, state job training programs and career intern programs, AmeriCorps).
- Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation.
- Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990.
- Any allowance paid under the provisions of 38 U.S.C. 1805 to a child suffering from spina bifida who is the child of a Vietnam veteran.
- Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act, and;
- Allowances, earnings, and payments to individuals participating in programs under the Workforce Investment Act of 1998.

ASSET CALCULATIONS

An asset is a cash or non-cash item that can be converted to cash. The value of an asset is not included in annual income. Cash Value Assets have both a market value and a cash value. The market value of an asset is simply its dollar value on the open market. A property's market value is the amount it would sell for on the open market. This may be determined by comparing the property with similar, recently sold properties. An asset's cash value is the market value less reasonable expenses required to convert the asset to cash (such as settlement costs or penalties for withdrawal).

In order to calculate income from assets a Grantee must recognize what to include in assets, how to compute the market and cash value of those assets, and how to determine the income from the asset to be included in annual income.

Assets – Inclusions

1. Cash held in savings accounts, checking accounts, safe deposit boxes, homes, etc. For savings accounts, use the current balance. For checking accounts, use the average 6-month balance. Assets held in foreign countries are considered assets.
2. Cash value of revocable trusts available to the applicant.
3. Equity in rental property or other capital investments. Equity is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and all reasonable

costs (e.g., broker fees) that would be incurred in selling the asset. Equity in the family's primary residence is not considered in the calculation of assets for owner-occupied rehabilitation projects.

4. Cash value of stocks, bonds, Treasury bills, certificates of deposit, mutual funds, and money market accounts.
5. Individual retirement, 401(K), and Keogh accounts (even though withdrawal would result in a penalty);
6. Retirement and pension funds;
7. Cash value of life insurance policies available to the individual before death (e.g., surrender value of a whole life or universal life policy);
8. Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc;
9. Lump sum or one-time receipts, such as inheritances, capital gains, lottery winnings, victim's restitution, insurance settlements and other amounts not intended as periodic payments.
10. Mortgages or deeds of trust held by an applicant.

Assets - Exclusions

1. Necessary personal property, except as noted in number 8 of Inclusions Section, such as clothing, furniture, cars, and vehicles specially equipped for persons with disabilities.
2. Interest in Indian trust lands.
3. Assets not effectively owned by the applicant. That is, when assets are held in an individual's name, but the assets and any income they earn accrue to the benefit of someone else who is not a member of the household and that other person is responsible for income taxes incurred on income generated by the asset.
4. Equity in cooperatives in which the family lives.
5. Assets not accessible to and that provide no income for the applicant.
6. Term life insurance policies (i.e., where there is no cash value).
7. Assets that are part of an active business. "Business" does not include rental of properties that are held as an investment and not a main occupation.

DETERMINING HOUSEHOLD SIZE

Household size should include all persons living in the home, including children and unrelated persons. A child must reside in the household at least 50% of the time to be counted as a household member. An unborn child is not counted. If the household provides foster care to adults or children, they are NOT included in the calculation of household size.

CERTIFICATION[3]

Income verification must be completed with certification that is signed and dated by the person evaluating and making household income determination. After calculating the annual household income, compare it to the annual income limits, adjusted for household size for the county where the household will reside. Income limits are adjusted annually, current limits are found on the DOA website at:

http://www.doa.state.wi.us/Documents/DOH/Household_Income_Limits

Once an income determination has been made, a letter must be sent to the applicant notifying them if they are income eligible. If a project loan is not closed (signed loan documents) within 6 months of the certification date, income must be recertified before project can be undertaken.

OTHER RESOURCES

Complete information on income calculation can be found in the "Technical Guide for Determining Income and Allowances for the HOME Program" which is published by HUD on the HUD Exchange website at:

https://www.hudexchange.info/resource/786/technical-guide-for-determining-income-and-allowances-for-the-home-program/

[3] Note that there are some on-line income calculators that are available for use. If used, the Grantee is required to ensure that the calculation method and the income limits used are consistent with program requirements.

D. PROGRAM REQUIRMENTS

The priorities for the CDBG Housing Program are single-family rehabilitation, multi-family rehabilitation and homebuyer activities. However, there are other uses eligible but not described in this Manual. The Grantee must review their Grant Agreement to determine eligible activities. If unforeseen circumstances occur, an amendment may be granted on a case-by-case basis. No project may be funded that is not consistent with the language in the original written contract, or amendment modifying the terms of the Grant Agreement without approval from DOA/DEHCR.

OWNER OCCUPIED REHABILITATION PROGRAM

The CDBG Housing rehabilitation program is designed to provide rehabilitation assistance for homes that are occupied by the owner of a property. Loans to owner-occupants are generally made to correct code and health violations or to complete other accessibility work that allows the homeowner to remain safely in their home.

When rehabilitation is completed on an owner-occupied home, the home must be brought up to a decent, safe and sanitary standard. The one exception to this rule is for emergency projects.

These general criteria must be used while designing underwriting criteria for owner-occupied rehabilitation loans:

1. The property must be in need of rehabilitation work as determined by the Grantee, utilizing the Housing Quality Standards (HQS) Inspection tool.
2. Eligible repairs are those necessary to bring the property to a decent, safe and sanitary standard.
3. All work must be determined to be financially feasible, as determined by the property's estimated Fair Market Value upon completion.
4. The Grantee must be added to the insurance policy as a mortgage holder.
5. Properties scheduled for sale, acquisition, demolition or condemnation, are not eligible for rehabilitation.
6. Properties located in the floodplain are not eligible <u>without</u> initiating the 8-step environmental review process. If CDBG funds assist floodplain property, the owner will be required to purchase flood insurance coverage for minimally one year, equal to or greater than the amount of the CDBG loan. If the owner cannot afford to purchase flood insurance, the cost of one year of flood insurance may be added to the CDBG loan. [4]
7. **Project costs in excess of $50,000 must be submitted to DOA/DEHCR for review and approval.**

[4] There may be additional requirements related to the construction work to be completed in order to flood proof the home.

GRANTS VERSUS LOANS

The CDBG Housing Program is a loan program. The underwriting criteria must evaluate all options; however, here are some conditions to consider when determining if a grant may be acceptable:

1. The funds are used for the rehabilitation of an LMI owner-occupied property AND no more than $1,000 will be awarded to that property owner during a 12-month period. If additional funds are requested and approved within the 12-months of the grant approval, the entire amount will become a deferred payment, no-interest loan.
2. If the presence of lead-based paint is documented, you may provide a grant for the cost of removal. The amount that may be granted or forgiven is the amount that exceeds 120% of the loan-to-value ratio under these conditions:
   a. There are no "cosmetic" rehabilitation costs included;
   b. Only the costs associated with lead-based paint abatement (necessary abatement and testing);
   c. The presence of lead must be tested (not presumed).
3. The environmental review standards may require higher quality materials (for example, if the home is a designated historical home and the cost of windows is higher because of replacement requirements ie. Wood windows versus vinyl). If there are unusually high and/or unanticipated costs related to these standards, the Grantee will pay the difference between the standard product and the higher cost product from project budget as a grant.

HOMEBUYER PROGRAM

The property to be purchased must be owner-occupied, occupied by the purchasing tenant, or vacant at the time of purchase. CDBG funds should be used for downpayment and closing costs where the interest rate reflects local lending rates. In addition, CDBG may provide up to 50% of the required downpayment costs, not to exceed ten percent (10%) of the purchase price of the home.

All downpayment loans must be matched 1:1 ratio. The matching downpayment may be from other grant funds, or the homebuyer's monetary contribution. The matching sources must be documented in the project file.

Every homebuyer applicant must contribute at least $1,000 of their own funds towards the purchase of the property. This amount may be applied towards downpayment or eligible closing costs.

Eligible closing costs include:

1. Loan origination fees
2. Loan discount points
3. Appraisal costs
4. Credit report
5. Title search and preparation charges
6. Title insurance
7. Transfer fees
8. Recording costs

9. Surveyor charges

Every homebuyer applicant must receive housing counseling **prior** to purchase, covering the following areas:

1. Homebuyer Education
2. Basics of the Home Purchase Process
3. Post-purchase Expectations

Loans should be structured to be affordable for LMI households. Homebuyer loans (Rehabilitation and/or downpayment and closing costs) are intended to be awarded ONLY to LMI individuals/families. Homebuyer loans may be awarded to LMI households currently owning a house only under exceptional situations. Grantee must receive written authorization from DOA/DEHCR before awarding homebuyer funds to a current LMI owner-occupant.

All homes purchased under the Homebuyer Program must meet Housing Quality Standards **at the time of purchase** or receive a rehabilitation loan that will bring it up to HQS within six (6) months of purchase. If the home does not receive the required rehabilitation within six (6) months, the homebuyer loan may be deemed ineligible and immediately due and payable. Homebuyers who are purchasing a home in need of repair must sign two (2) mortgages with the CDBG program at closing. One mortgage will cover the assistance for downpayment and closing, the additional mortgage will cover the cost to rehabilitate the property after the homebuyer receives ownership of the property. **The program will not help purchase houses in need of major/substantial rehabilitation work.**

LOAN TERMS

When loans are made for Owner Occupied Rehabilitation and/or Homebuyer, the loan repayment will be deferred at no interest until the housing unit ceases to be the borrower's principal place of residence. When a deferred loan has reached 29 years, Grantees must re-record the mortgage to extend the effectiveness of the mortgage for an additional 30 years under Section 893.33 of the Wisconsin Statutes as long as the home remains the principle residence of the borrower (CDBG applicant).

RENTAL REHABILITATION PROGRAM

CDBG funds may be used to rehabilitate LMI occupied rental housing units. CDBG funds may also be used to rehabilitate vacant housing units that will be rented to LMI households within 6 months. If the rental unit is not occupied by an LMI tenant within 6 months of the completion of the rehabilitation project (documented by the final inspection) the loan will be deemed ineligible and immediately due and payable.

When rental rehabilitation loans are made, rents charged for those units after rehabilitation are limited to HUD designated rent limits for the geographic areas in which the unit is located or locally established affordable rents. The Grantee must inform the landlord of these rent limits, and any subsequent changes. Affordable rents must be available to LMI tenants for a minimum of half the term of the mortgage but not less than 5 years.

A mortgage and mortgage note must be issued in the name of the Grantee against the landlord's property in the amount of the loan to ensure repayment of the loan. Rental rehabilitation loans are available as 0% installment loans. The repayment period should be negotiated with the property owner. Prior to initiation of a rental rehabilitation project (including vacant rehabilitation and conversion projects), the property owner must agree, in writing, to rent to LMI households and maintain affordable rents for the pre-determined timeframe. Rent limits must be kept current and provided to participating landlords as limits are amended.

The rental projects may require additional funding sources, including commercial lending and/or other program(s) funds. If total project costs are in **excess of $50,000**, information on the project must be **submitted to DOA/DEHCR for review and approval**.

The eligible units are those occupied by the LMI tenants. The Grantee may not pay for the work in non-LMI units. If CDBG funds pay for the areas considered as common spaces, for example entry door, roof, plumbing, siding, etc., at least seventy-five (75%) of the units in the structure being rehabilitated must be occupied by LMI households. For example, a six (6) unit structure being renovated with CDBG funds must have at least five (5) units occupied by LMI households. Duplexes are exempted from this provision. If one (1) unit is vacant, the other one must be occupied by an LMI tenant. An increase in a current tenant's income to the point where it exceeds the current LMI income limits is NOT a reason for eviction; However, should the unit become vacant; it must be filled with an income qualified household.

These general criteria must be used while designing underwriting criteria for the CDBG rental rehabilitation loans:

1. The property must be in need of rehabilitation work determined by the Grantee utilizing the HQS Inspection tool.
2. Eligible repairs are those to bring the property to a decent, safe and sanitary standard.
3. All work must be deemed financially feasible, as determined by the property's estimated FMV, upon completion of work.
4. The properties scheduled for sale, acquisition, demolition or condemnation, are not eligible for rehabilitation. Vacant properties may be rehabilitated, for example conversion of space from single-family use or commercial use to LMI rental project. Please consult with DOA/DEHCR prior to rehabilitating vacant properties.
5. The property must be insured against loss by fire and other perils, in accordance with lending institution standards.
6. The Grantee must be added to the insurance policy as a mortgage holder.
7. Repayment of installment loans must begin within sixty (60) days upon completion of the CDBG rehabilitation as determined by the final inspection. Loans to landlords and/or developers must be repaid in monthly installments.
8. Properties located in the floodplain are generally not eligible unless certain conditions are met. If CDBG funds assist floodplain property, the owner will be required to purchase flood insurance.
9. No tenants will be permanently displaced as a result of rehabilitation to a renter-occupied property.

10. All tenants will receive:
    a. Lead-Based Paint Brochures
    b. General Information Notice
    c. Notice of Non-displacement
11. All tenants in rehabilitated units must be documented as LMI households. The Grantee must develop and implement an annual verification of LMI occupancy. The Grantee is required to keep this information with each rental project file. The annual verification documents:
    a. The rents being charged are affordable and comply with the terms of the loan; and
    b. The original tenant continues to reside in the unit; or
    c. The new tenant(s) met LMI income levels at the time of occupancy. The landlord will collect all required documents from potential occupants and the Grantee will determine income eligibility.
12. Labor standards apply to any building with eight (8) or more units. Coverage is determined by the number of unit in the building, not by the number to be rehabilitated.

ACQUISITION/DEMOLITION LOANS

Under unusual circumstances, the Grantee may choose to acquire dilapidated dwellings using CDBG funds. CDBG funds may be used to pay all displacement, relocation (see the Temporary Relocation Section) and demolition costs. The reuse of the land must meet a CDBG housing national objective. Properties must be acquired in accordance with all state and federal requirements: 24 CFR 42, and related portions of Wisconsin Statutes Chapter 32 (eminent domain). Copies of these regulations must be available for public review. The Grantee should contact the State Program Manager if considering this activity to verify that all appropriate requirements are understood. Properties should not be demolished or moved without all appropriate environmental approvals (including historical review).

TEMPORARY RELOCATION

If a Grantee engages in any activity that requires a tenant or homeowner to be temporarily relocated (meaning that they will be returning to the housing unit after work is completed or safety violations repaired) or permanently removed from a property, CDBG funds **may** be used to pay relocation expenses.

For example, under some circumstances, it may be necessary to temporarily relocate homeowners or tenants when lead paint abatement is being completed, or when a home has safety issues such as no heat. In this case, a hotel room or short-term rental should be provided during the duration the home is not safe for habitation. The Grantee will provide a letter to the household specifying eligible costs such as:

1. Meals – The Grantee will use the state rate for meal allowances if displaced at a hotel without a kitchen facility (breakfast is not covered if the hotel offers). Grantees are encouraged to use rooms with kitchenette facilities.
2. Mileage – Additional mileage required due to temporary displacement. For instance, additional mileage to and from work or school.

3. Costs in lieu of hotel - A daily stipend of $20 a day may be offered as an alternative to hotel stay if the household stays with family or friends to cover such costs as additional electricity, water, and use of accommodations.

PERMENANT RELOCATION

Federal relocation requirements are specific about the types and amount of assistance that must be provided to someone displaced when federal funds are used to engage in housing activities. The Grantee must provide relocation benefits to anybody who is involuntarily displaced due to public acquisition by an agency with the power of eminent domain (Grantee) or anybody else carrying out a public project with CDBG funds. If this is to occur, a relocation plan must be submitted to DOA/DEHCR for approval. In most situations, compliance with State relocation regulations will satisfy federal relocation requirements since State benefits usually exceed federal benefits. The Grantee must establish and maintain a relocation file for each displaced household which will be monitored by DOA/DEHCR. Contact DOA/DEHCR if you have questions regarding relocation applicability and more information will be provided.

SUBORDINATION

The household may request the Grantee to subordinate the mortgage held by the CDBG program to refinance. DOA/DEHCR requires that the Grantee subordinate in the following cases:

1. The monthly housing costs will be reduced;
2. To obtain a lower interest rate or longer term;
3. To finance additional rehabilitation on the primary residence;
4. Others exceptions may be made on a case-by-case basis with the permission of DOA/DEHCR.

CONVERSION FROM HOMEOWNER TO RENTAL

The Grantee may allow a homeowner to convert their deferred payment loan to a 0% installment loan provided they agree to rent to LMI tenants and to keep the rents affordable.

EMERGENCY REHABILITATION PROGRAMS

CDBG funds may be used for emergency rehabilitation. An emergency is defined as a housing condition which represents an **imminent threat to health and safety,** for example, a furnace failure or septic system failure. The maximum limit on emergency project cost has been raised to $15,000.00; however, Housing Committees may allow exceptions.

All CDBG requirements apply to the emergency rehabilitation program except:

1. Homeowners will not be required to have an HQS inspection performed on their property. The homeowner has the **option** of re-applying to the CDBG owner-occupied rehabilitation program at a later date to correct other deficiencies.
2. Homeowners will not be required to have equity in their property. In addition, property liens, judgements and unpaid taxes do not preclude a homeowner from receiving assistance as it relates to emergency situations.

The emergency loans must have the same terms as regular owner-occupied loans. Please note the emergency situations are not the same as urgent need (Emergency Assistance Program– EAP) grants. For more information refer to Chapter M.

LABOR STANDARDS

Federal labor standards (also known as "Davis-Bacon") may apply to your project. Coverage is determined by the number of units in the building, not by the number to be rehabilitated. In addition, mixed-use buildings may also be subject to this requirement. See the Common Questions Related to Labor Standards Section to determine if your project is subject to Labor Standards. If federal labor standards apply, then federal wage rates will have to be paid to employees.

Labor standards apply to all contracts for construction, alteration, or repair of a public building or public work financed in whole or in part from federal funds, except as noted below:

1. Residential rehabilitation in structures with fewer than eight (8) units.
2. Contracts that are part of a project of less than $2,000 value.

Common Questions Related to Labor Standards

Do Davis-Bacon wage rates ever apply to single-family home or duplex rehabilitation?

A: No.

Do Davis-Bacon wage rates ever apply to apartment rehabilitation?

A: Yes. They apply to rehabilitation and/or conversion work in mixed-use buildings and to rehabilitation work in apartment buildings that contain eight or more apartments. A mixed-use building is one that contains or will contain both residential and commercial or industrial uses after the rehabilitation/ conversion work is completed.

Is rehabilitation work in a mixed-use building ever exempt from Davis-Bacon wages?

A: Yes. If there are less than eight apartments in the building, and the rehabilitation work is confined to the interior of the apartment(s) or the areas common to the apartments only (e.g., residential hallways, stairways) Davis-Bacon wage rates will not apply. However, no work can be done on siding or utilities that serve the entire building in this case.

We have a ten-unit apartment building where the owner wants to do the rehabilitation work himself. Will this be covered?

A: Yes. Since there are more than seven apartments, Davis-Bacon regulations will apply. The owner must submit a payroll form showing how many hours a day, he works on the project, but need not show any wage information for himself. If he/she hires someone to help him for any of the work, that person must be paid Davis-Bacon wages. If he subcontracts any part of the work (e.g., plumbing or electrical) the contractor(s) must pay Davis-Bacon wages and file all the required reports.

Would the same rule apply to the owner of a mixed-use building working on his own apartments?

A: Yes.

We have an empty warehouse which the owner wants to convert to apartments. The building will be all residential when it is done. Will Davis-Bacon apply?

A: It depends on the number of apartments he/she will create. If there will be eight or more units, Davis-Bacon wages will apply. If there will be seven or less, they will not apply.

We have an eight-unit apartment, but only four units need rehabilitation. Will this be covered?

A: Yes. Coverage is determined by the number of units in the building, not by the number to be rehabilitatedbed.

Is a single-family dwelling containing a home occupation a mixed-use building?

A: Yes. In practical terms, we do not consider it a mixed-use building unless there have been additions or permanent modifications to the building which make part of it useable only for the

business purpose. A spare bedroom used as an office would not count; a beauty parlor added to the side of a home and useable only for that purpose would make the building a mixed-use building.

Our program includes purchasing vacant homes and duplexes and renovating them for resale. Will Davis-Bacon apply?

A: No, Davis-Bacon will not apply.

Part of our program includes renovation work on some Housing Authority-owned apartments in our community. Will this work be covered?

A: Yes. All work on Housing Authority-owned property is covered.

OTHER CONSIDERATIONS

There are a number of other factors to consider in the design and administration of the program, including:

1. Dwellings should not be rehabilitated if they are structurally unsound or if the combined total of all debt against the property (usually identified on the title report) and the cost of rehabilitating the structure exceed 120% of the after-rehab FMV of the property.

2. For the purpose of the Program the term **"land sales contract"** refers to any transaction, regardless of the nomenclature, in which the purchaser obtains fee simple title to the property only by completing a series of installment payments over a period of years. In order for a purchaser under a land sales contract to be eligible for a housing rehabilitation loan, the following requirements must be met:

    a. The contract must be a written, legally binding, properly recorded instrument relating to the property to be rehabilitated.

    b. The seller of the property must hold fee simple title to the property and, while the contract is in good standing, must be unable to use the property for collateral or to convey the property to any other party unless such use for collateral or conveyance of fee simple title is subject to the contract.

    c. Under the contract, the seller and any subsequent holder of the fee simple title to the property must be obligated, without qualification, to deliver to the purchaser fee simple title and a deed to the property upon full payment of the contract price, or some lesser amount.

    d. Under the terms of the contract, the purchaser must have full use, possession and quiet enjoyment of the property; equitable title to the property; and full rights of redemption for a period of not less than sixty (60) days.

    e. The purchaser must be legally able to mortgage, pledge or assign equitable title to the property to the Grantee, as required by the loan security provisions as set forth in this handbook. If, under the terms of the contract, the purchaser may only make such mortgage, pledge or assignment with the seller's consent, the purchaser must obtain such consent from the seller in a written and recordable form.

    f. Both the Mortgage and Note must be signed by both the current owner and the purchaser.

3. Persons occupying a dwelling unit under a **life estate agreement** are eligible for a CDBG rehabilitation loan under the following conditions:

   a. The person(s) occupying the dwelling to receive CDBG rehabilitation must be LMI.

   b. The life estate agreement terms must be written, signed and recorded.

   c. The owner(s) of the dwelling must agree, in writing, prior to the initiation of the rehabilitation, to repay the loan when the dwelling ceases to be the principal place of occupancy of the current occupant.

   d. ALL parties of the life estate (occupants AND owners) must sign the mortgage and the note.

   e. The CDBG loan is treated as an owner-occupied loan.

E. PROPERTY ELIGIBILITY AND PROGRAM REQUIREMENTS

This chapter provides general background on the property eligibility criteria, including eligible programs and eligible properties. While a range of programs is possible using CDBG funds, the Grantee may only operate the types of programs that have been included in the written contract agreement with the State. In the event of conflict between the language specified in the contract and this handbook or other supporting documents, the provisions in the contract shall take precedence. In general, to be eligible for a rehabilitation loan, a property must be located within the limits of the service area defined in the Grantee written contract agreement with the State.

MINIMUM GENERAL PROGRAM REQUIREMENTS

The following sections describe the minimum requirements a Grantee must use when designing a local CDBG Housing program. Written policies and procedures must be developed and approved by the local Housing Committee. In addition, the written Grant Agreement between the State and the Grantee must describe the general terms of the loans offered at the local level.

There are some general rules that apply across all CDBG Housing programs.

Loan Security

It is the Grantee's responsibility to ensure that CDBG housing loans are as secure as reasonably possible. At a minimum, this includes the following:

1. Document ownership of the property through, at a minimum, a letter report from an accredited title company.
2. Rehabilitation loans should not exceed 120% of after-rehabilitation equity in the property. All mortgages, liens or any other encumbrance of the property must be reviewed and considered to ensure that there is adequate equity in the property to cover the CDBG loan. A property should not be considered for rehabilitation if the mortgage(s), judgments, and liens in addition to the rehabilitation cost exceeds the properties equity (based on the 120% rule) prior to the rehabilitation. A project should not be considered for rehabilitation assistance if the property is underwater or has negative equity prior to the rehabilitation.
3. Require the borrower to sign a mortgage and note for the amount of the loan.
4. Record the mortgage immediately after the mortgage and contract documents have been signed and the three (3) day rescission waiting period has expired.
5. Any project amount that exceeds $50,000 requires **written approval** from DOA/DEHCR Program Manager, prior to commencing the project. A detailed description of the project must be submitted to the Program Manager for consideration, including a description of the financial considerations/bid, photos, home equity, and work specifications necessary in order for DOA/DEHCR review to take place.
6. Property taxes **must be paid up to date** before any rehabilitation work can begin.

Environmental Review

An environmental review completed for a property must be considered as part of the eligibility process. Refer to the Environmental Review Manual located on the DOA website.

Property Insurance

Contact the borrower's property insurance company to verify adequate insurance and that the Grantee is listed as a mortgage holder of the property (obtain Certificate of Insurance to document this). The property owner must have adequate insurance coverage to cover the proposed improvements after rehabilitation.

No CDBG funds may be used to pay for the cost of taxes and insurance (with the possible exception of payment for one-year of floodplain insurance if required).

REQUIREMENTS FOR ALL TYPES OF LOANS:

- ✓ The homeowner must be property owner of record.
- ✓ Considering all mortgages, liens and any other encumbrances on the property, the after-rehab loan to value ratio cannot exceed 120%.
- ✓ Homeowner must have adequate property insurance coverage.
- ✓ Homeowner must sign mortgage and note to secure loans.
- ✓ Environmental review must be completed for assisted property when necessary.
- ✓ Loans greater than $50,000 requires prior written approval from DOA/DEHCR staff.

Mobile Homes

In order to be eligible for rehabilitation, the mobile home must be owned by the same person who owns the property/land on which it is located; the mobile home must be located on a permanent foundation and hooked up to public or private utilities.

Mobile homes shall be defined as any unit exempted from property taxes as identified in 70.112(7) of the Wisconsin Statutes and further defined in 66.058(e) of the Statutes. That definition is as follows: *A mobile home is that which is or was originally constructed or designed to be transported by another motor vehicle upon a public highway and equipped and used for sleeping, eating and living quarters, or is intended to be so used; and includes any additions, attachments, annexes, foundations and appurtenances, except that a house trailer is not deemed a mobile home if the assessable value of such additions, attachments and annexes, foundations and appurtenances equals or exceeds 50% of the assessable value of the house trailer and shall be occupied on a year-round basis.*

Funds may be used to rehabilitate mobile homes ONLY if the mobile home is taxed as real property.

Emergency Assistance Program (EAP) funds may be used to rehabilitate mobile home **only** if the repairs do not exceed the pre-disaster assessed value, and the damage to the mobile home is a result of a disaster. For more information for EAP mobile homes refer to Chapter M.

F. INSPECTION AND BIDDING

In order to determine the scope of rehabilitation work, an initial Housing Quality Standard (HQS) evaluation of the property must be done and a final HQS inspection is completed after all the work is finished. In addition, inspections should be conducted as needed during the rehabilitation construction to make sure that all work is performed according to work specifications.

The quality and success of the housing program depends on the quality and experience of the people implementing the program and the capacity and ability of local contractors. Federal requirements preclude hiring contractors that have been debarred. Contractors must also carry appropriate insurance, as defined in this manual and by local procurement requirements. Contractors and subcontractors must also have the appropriate licenses or certifications for the work to be performed, such as:

1. Dwelling Contractor Certification;
2. Lead Safe Renovator (When working on properties built prior to 1978);
3. Proper License (i.e. Master Electrician, Master Plumber etc…);

INITIAL INSPECTION

All rehabilitation programs must use the Section 8 Housing Quality Standard (HQS) form to document the initial inspection. An initial inspection of the property must be conducted to determine the type and cost of work necessary to bring the property into compliance with the established property rehabilitation standard. The work that will be required to bring the house to this standard is conveyed to the Homeowner and bidding contractors in a written form. The work specifications along with the cost estimates must be documented in the project file prior to bidding.

The inspector should specify actions needed to remedy all deficiencies found during initial inspection utilizing the HQS inspection form. In addition, the following items (but not limited to) must also be included in the inspection and corrected:

Inspections should identify all issues that would need to be addressed in a housing unit in order to bring the home up to a decent, safe and sanitary standard.

1. Properly located and working Smoke and Carbon Monoxide Detectors;
2. Identification of all chipping and peeling paint in a pre-1978 property (regardless of children present);
3. Ground Fault Circuit Interrupters (GFCI) within six (6) feet of a water source including by a washing machine;
4. Installation or repair on handrails for a section of four (4) or more steps;

Once the work write-up has been prepared, the cost of the work must be estimated. The cost estimate is necessary to know whether or not the work can be done within the program requirements. The cost estimate serves as a basis for determining if the bid or bids for the rehabilitation work are reasonable.

The inspector preparing cost estimates should be familiar with rates for materials and labor in the area and be able to accurately estimate the time required to complete each task. Good, reliable cost estimates are critical. This may protect the Grantee from contractors underbidding only to add charges later after award. Some localities have added language to their local policy manual that the contractor cannot be awarded to the low bidder if that contractor has a backlog of incomplete rehabilitation jobs. In addition, the Grantee cost estimates allows the Grantee to move a project forward if the project is unsuccessful in obtaining three (3) contractor bids. The Grantee must ensure and document the attempt to obtain a minimum of three (3) estimates for all projects.

Adjustments should be made to the work write-up prior to requesting bids. This includes the possible necessity of reducing the work to health and safety standards if the property's equity does not allow the program to address energy efficiency improvements.

All contractors bidding on rehabilitation projects should be provided with General Specifications for acceptable materials and work standards.

The Grant Administrator should obtain approval (signature) of the final work specifications and estimates from the homeowner ***before*** the bidding process begins.

No payments should be made to a contractor without completion of an interim inspection that documents work that has been completed and for which reimbursement has been requested by the contractor.

INTERIM AND FINAL INSPECTIONS

A thorough inspection of the work must be completed prior to authorizing the payment of funds for the rehabilitation work. The Grantee is responsible to determine the number of payments per project. Each payment request must be accompanied with a copy of interim/final evaluation report. The report must list items installed and due for payment. **The initial and final inspection reports must include a line specifically noting the condition of the paint on all impact, friction and accessible surfaces, as well as the presence of smoke and carbon monoxide detectors.**

The evaluation/inspection fees will be paid out of the project budget with the exception of applicants that are not funded. For purposes of environmental review, if the age of the structure is not known, it must be assumed to be over fifty (50) years old.

ELIGIBLE ACTIVITIES

Eligible activities include any repairs necessary to bring the unit into decent, safe, and sanitary condition based on an HQS Inspection/Evaluation of property, including measures to make the home energy efficient and accommodations for accessibility. Upon completion of the work, all units must have an adequate number of functioning, properly placed smoke and carbon monoxide detectors.

INELIGIBLE WORK

Work not allowed by CDBG federal program requirements, includes:

1. CDBG funds may not be used to pay for the same work twice.
2. Repairs to unoccupied buildings (unless rental property).
3. Repairs to any outbuildings.
4. Repairs to detached garages, except where the building poses a lead-based paint hazard or is unstable and is an imminent threat of collapse.
5. New construction, expansion of the size of the structure, the rehabilitation of uninhabited space, or the finishing of unfinished spaces, except as required to eliminate overcrowding of bedrooms (per Housing Code), to flood proof the home, or for handicap accessibility.
6. CDBG funds may NOT be used to reimburse property owners for work which has been contracted for or completed prior to the property owner signing agreements with the Grantee except for emergency projects.
7. CDBG funds may not be used for the labor costs of any household member, of any non-insured person/contractor, of any non-licensed person/contractor, or of any person/contractor that does not submit a bid.
8. Rehabilitation work that was completed and not submitted for environmental review, but would otherwise have required additional Environmental Review Record compliance, will be identified as "ineligible" and the funds will be reimbursed to the program by the Grantee.
9. Materials, fixtures, equipment or landscaping of a type or quality which exceeds that customarily used in properties of the same general type as the property to be rehabilitated.
10. Purchase, installation or repair of furnishings, and appliances (except for a refrigerator to properly cool food and/or a stove to properly heat food).
11. Automatic garage door opener unless required for handicapped accessibility documented by a written medical recommendation in the project file.
12. Performing rehabilitation work on a business is not an eligible expense through the CDBG Housing Program. In the event when a business resides in or attached to the homeowner's house contact your CDBG Administrator or Program Manager for further guidance.

WORK BY APPLICANT

Homeowners (or landlords) are **not** allowed to complete any rehabilitation or renovation activities on their property while a CDBG-funded rehabilitation project is underway. Pictures of the home before, during (if an interim inspection is completed) and after renovation are required.

In the event an applicant is a certified contractor, the program may pay for materials but not labor. The applicant must demonstrate to the satisfaction of the Administrator that he or she is able to complete the work in a timely fashion. If accepted, the applicant will sign **the Borrower Labor Agreement.**

The Borrower-Labor Agreement MUST include:

1. An itemized list of the necessary materials for the repair. The list must include product name(s), store of purchase, and cost of each item necessary for the repair. Payments to the homeowner will be made after the work is completed and inspected.
2. An identification of all paint hazards.
3. A clear statement that no untrained persons can be within ten (10) feet of the work site until it has passed clearance for lead-based paint.
4. A Breach of Condition Clause that instantly terminates the Borrower-Labor Agreement if lead paint is present and:
    a. Any untrained persons are within ten (10) feet of the work site;
    b. Any applicable permits or lead-safe work practices are violated;
5. A statement that if the Borrower-Labor Agreement is terminated:
    a. All work must cease immediately upon notification.

The Grantee must document daily, unannounced site visits to verify compliance with lead-safe work practices and the Borrower-Labor Agreement.

The original mortgage must include adequate funds to hire a contractor to finish the project if it becomes necessary. If the homeowner completes the work satisfactorily, the mortgage will be amended to reflect the actual costs for the project.

WORK PERFORMANCE

All work is performed in accordance with *A Working Guide to Lead-Based Paint Regulations in Wisconsin*. All work will be performed in accordance with local municipal housing codes and other standards of acceptable performance.

In all pre-1978 units where the rehabilitation activities will disturb painted surfaces, all workers must be trained in lead-safe work practices (eight-hour training by an accredited instructor) in accordance with the U.S. Department of Housing and Urban Development's Lead Safe Housing Rule at 24 CFR Part 35, Subparts B through M. The rehabilitation must be designed to prevent lead dust from being disbursed to other areas of the unit.

In any unit where rehabilitation activities will remove a product suspected to contain asbestos the work must comply with state and federal asbestos removal requirements. Please refer to the Department of Health Services (DHS) website for more information at the following link: (https://www.dhs.wisconsin.gov/asbestos/index.htm).

Only contractors certified by DHS may remove asbestos-containing products. The rehabilitation will be designed to limit release of asbestos fibers and ensure disposal in an approved landfill.

BIDDING

The Grantee must establish clear and consistent policies and procedures on the procurement of private contractors. Procurement procedures must consider the federal and state requirements as discussed in this section, but also must be in compliance with any procurement policies in place at the local level. Competitive bidding provides the framework for this process. Based on the work write-ups, an attempt to secure a minimum of three (3) bids from eligible contractors must be documented in the file.

The Administrator or homeowner shall mail and/or email bids to the contractors selected by the homeowner. The Grantee/Administrator may **not** recommend any contractors to the homeowner.

The bids must be submitted directly to the Administrator by the specified submission date and time. No bids may be opened until the bid close date. No bids may be accepted after the submission deadline.

The Administrator must provide the homeowner with copies of all bids prior to selection.

Each project file must contain a separate authorization form, signed by the homeowner, identifying the selected bid(s). The signature of the homeowner on the rehabilitation contract is **not** considered to be approval of the selected bid.

The ***lowest, reasonable and responsible*** bid is the winning bid; however, the homeowner may pay the difference and select a higher priced bid. The Grantee may consider bids below twenty (20%) of the cost estimate non-reasonable and/or non-responsive. This may protect the Grantee from contractors underbidding only to add charges later (change order) after the contract has been awarded.

When a Grantee undertakes a construction project (e.g., neighborhood improvements, public facility) utilizing CDBG dollars, the following state statutes regarding procurement apply: s. 66.29, Wis. Stats., and if a county, s. 59.52; if a town, s. 60.47; if a village, s. 61.54-61.56; and, if a city, s. 62.15.

CONTRACTOR VERIFICATION

The bidding packet mailed to contractors must include a complete contractor verification application. The Administrator must verify:

1. Contractor's eligibility to work in the United States, (contractor dwelling certification).
2. Contractor's debarment status. Grantee must verify all contractors through System for Award Management Refer to the System for Award Management (SAM) website - https://www.sam.gov/portal/SAM/##11.
3. Contractor's Liability Insurance ($300,000 bodily injury and $100,000 property damage coverage). The Insurance coverage must be verified at the time of bidding.
4. Contractor's lead-based paint and/or asbestos certification(s).

5. Contractor's worker's compensation policy, if applicable.[5]
6. Minority Business Enterprise / Women Business Enterprise (MBE/WBE).
7. Section 3 Economic Opportunities.

The same verifications **must** be performed for all work done by the sub-contractors.

CHANGE ORDERS

In the event the rehabilitation contract needs to be adjusted from the amount originally approved, the Administrator will complete a change order approval form. This form must be signed by all parties: Administrator, Contractor, and Homeowner before adjustment is executed.

Generally, change orders should not be accepted unless they are due to conditions that the inspector could not have seen, for example; the condition of additional decking related to roof replacement job or areas of drywall not visible behind the tub.

[5] It is expected that contractors meet workers compensation requirements. If the company bidding on the project believes that it is exempt from Worker's Compensation requirements (based on s. 102.07(8) Wisconsin Statute), the contractor must present that information to the Program Administrator.

G. LEAD BASED PAINT AND ASBESTOS

Both asbestos and lead-based paint (LBP) may cause adverse effects on human health. It is important to follow the protocol when disturbing materials containing LBP and Asbestos. Various federal and state agencies are involved in compliance activities related to hazardous activities, for example, a contractor working on the CDBG Housing project must follow both state and federal regulations. The Program Administrators and Inspectors are responsible to make sure contractors are informed. Inspectors must follow through with appropriate inspection to make sure the contractors follow requirements.

ASBESTOS

Asbestos is a mineral fiber that was commonly added to products to strengthen them, and to provide heat insulation and fire resistance. Asbestos is commonly found in older homes where it was used for pipe and furnace insulation, in asbestos shingles, millboard and transite siding, floor tiles, and a variety of other coating materials. The only way to determine whether a material is asbestos (containing more than 1% asbestos by volume) is through Polarized Light Microscopy.

The handling of asbestos-containing materials is regulated by the Environmental Protection Agency (EPA) under the National Emissions Standards for Hazardous Air Pollutants (NESHAP), 40 CFR Part 61, and the Occupational Safety and Health Administration (OSHA) under regulations delineated in 29CFR 1926.1101.

In Wisconsin, the Department of Natural Resources (DNR) enforces the control of asbestos emissions through chapter NR447 Wisconsin Administrative Code. The Wisconsin Department of Health Services (DHS) requires and enforces training and certification of individuals involved in asbestos-related activities through chapter DHS159, Wisconsin Administrative Code.

Only glass, wood, metal and fiberglass do not contain asbestos. Any other materials which will be disturbed or has the potential to be disturbed as a result of renovation activities must be presumed and treated as Asbestos Containing Material (ACM).

All rehabilitation that is done in whole or part with CDBG funds must comply with state and federal asbestos removal requirements.

1. Leave undamaged asbestos in place. Asbestos should only be removed when it is friable (which means that it can be crumbled to a powder by hand pressure) or when it will be disturbed by building rehabilitation or demolition.

2. Removal of asbestos-containing material can only be legally performed by contractors certified by DHS.

3. Regulations regarding disposal in an approved landfill must be followed. Disposal is regulated by DNR, Bureau of Solid Waste Management.

DHS regulations regarding certification and training accreditation of workers are applicable. If a contractor is removing or disturbing asbestos-containing materials, he/she must be certified and provide a notification prior to the start of a project to DHS or DNR.

For more information, please review the following web resources:

http://dnr.wi.gov/topic/Demo/
http://www.dhs.wisconsin.gov/asbestos/

LEAD-BASED PAINT (LBP)

Any housing unit rehabilitated in whole or part with CDBG funds must comply with the lead-based paint requirements in Title X of the Housing and Community Development Act of 1992, as amended, Section 1012 of the Residential Lead-Based Paint Hazard Reduction Act of 1992 (Title X Subpart J), DHS 163, and 24 CFR 35.

Lead-based paint (LBP) hazards include:

> *All contracts for housing rehabilitation and/or housing development must prohibit the introduction of lead-based paint.*

1. Deteriorated LBP: any interior or exterior LBP that is peeling, chipping, chalking, or cracking, or located on any surface or fixture that is damaged or deteriorated;
2. LBP on a Friction Surface: an interior or exterior surface subject to abrasion or friction, such as painted floors and friction surfaces on windows;
3. LBP on an Impact Surface: an interior or exterior surface subject to damage by repeated impacts, such as parts of door frames;
4. LBP on an Accessible Surface: an interior or exterior surface accessible for a young child to mouth or chew, such as a window sill or door frame;
5. Lead-Contaminated Dust: surface dust in residential dwellings that contains an area or mass concentration of lead in excess of current federal guidelines;
6. Lead-Contaminated Soil: bare soil on residential property that contains lead (often from chipping and peeling exterior paint) in excess of current federal guidelines;

All OCCUPANTS of housing units built prior to 1978 must be notified of the hazards of lead-based paint, of the symptoms and treatment of lead-based paint poisoning, of the need to identify lead-based paint hazards through environmental inspection and blood lead tests, and of the importance and availability of maintenance and removal techniques to eliminate such hazards. The following website has the required pamphlet, Protect Your Family From Lead in Your Home as well as other good information to raise awareness about the continuing problem of lead-based paint poisoning:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/healthy_homes/enforcement/disclosure

All occupants of units built before 1978 must be notified of the importance of monitoring and continual maintenance unless the lead-based paint has been permanently removed.

All units built prior to 1978 must be inspected for deteriorated paint. If there is deteriorated paint, this condition MUST be reflected on the HQS inspection form. All deteriorated paint must be addressed by the rehabilitation activities.

All federal and state laws must be followed when completing rehabilitation work where lead-based paint is known or presumed to be present. All inspection forms, the Risk Assessments or, if there is none, the Presumption Notice, must be given to the occupants.

Lead Based Paint (LBP) Process

1. Upon receipt of the application, determine the age of the home. In 1978 federal regulations effectively banned the use of lead in residential paint. Any home built pre-1978 must be assumed to contain lead.
2. Provide occupants with the pamphlet, **Protect Your Family from Lead in Your Home**. Receipt of the pamphlet must be documented.
3. Contractors are required to distribute the **Renovate Right** brochure to the occupants prior to project execution. The contractor must document the homeowner received this brochure. The program administrator may want to secure a copy of the signature page the contractor received to document the homeowner received this brochure.
4. Children under the age of six (6) may not be required to be tested for elevated levels of lead in their blood as a requirement to receive the CDBG loan. It is STRONGLY urged that such testing take place prior to the initiation of rehabilitation that addresses deteriorated paint or that will disturb a painted surface in a pre-1978 unit.

> *The HQS inspection report must be thorough and identify all deteriorate paint in the home, inside and out. Failure to do so may jeopardize the ability of the contractor to achieve project clearance.*

5. During the Initial Inspection, the condition of painted or varnished surfaces must be noted and the existence of assumed lead-based paint hazards must be evaluated. Either a Risk Assessment or the Presumption of the presence of lead-based paint should also be completed.
6. Write the Bid Specifications, making sure to identity deteriorated paint that must be corrected or work items that will break a painted surface. Estimate the project cost:
   a. If the estimated cost exceeds $25,000 in a pre-1978 home (regardless of work to be performed), a risk assessment must be conducted on the property, and IS NOT an expense to be included in the loan to the property owner. All hazards identified on the risk assessment that were NOT identified with the HQS Inspection, MUST be abated with a certified lead abatement company. If all hazards were identified on the HQS Inspection, then paint/varnish disturbing work can be performed by 8-hour trained lead safe renovators. ALL projects performed on a pre-1978 home that disturbs painted/varnished surfaces REQUIRE a Lead Clearance.

> *Lead Clearance is **REQUIRED** if a painted/varnished surface is disturbed on a pre-1978 home.*

b. Clarify in work specifications what must be done with lead safe renovators vs. lead abatement company.

c. When conducting Lead Safe Renovators –

   i. Everyone on the jobsite must be 8-hour trained by a State of Wisconsin or EPA training provider - OR - One supervisor must be a Certified Lead Abatement Supervisor and the workers must obtain on-the-job training in lead-safe work practices.

   ii. One Lead Safe Renovator or Lead Abatement Supervisor must be Wisconsin certified.

   iii. Lead Safe Company must be Wisconsin certified.

d. When conducting Lead Abatement –

   i. Everyone on the jobsite must be a certified Lead Abatement Worker or Lead Abatement Supervisor.

   ii. Lead Company must be Wisconsin certified.

Interim Control can be performed by a Lead Safe Renovator.

7. Determine whether the household should be temporarily relocated during the rehabilitation. The trained contractor being used to do the lead-based paint related work must develop an occupancy protection plan for the project. Depending on the nature of the rehabilitation project, the occupants may need to be temporarily relocated from the unit. The cost of the temporary relocation is an eligible CDBG project expense, but IS NOT an expense to be included in the loan to the property owner.

8. Make sure the CDBG contract includes language which will ensure that the contractor is responsible for cleaning the unit so that it will pass clearance when all work is done, and before payment is made. The contract should also contain language that requires the contractor to document receipt by the property owner of the **Renovate Right** pamphlet.

9. Make frequent site visits to ensure compliance by all contractors of the lead-safe work rules.

10. Arrange for Clearance Testing, both visual and sampling. The CDBG program will pay for the first clearance test. If the clearance test fails, the contractor is responsible for the cost of any subsequent cleaning and clearance testing. Final payment may not be issued to the contractor until the lead clearance test passes.

Example:

Property #: C071
Age of property: 1912

$32,000 Total Project:

- $12,000 to address windows, siding, and soffit/fascia;
- $20,000 to replace roof, furnace, hot water heater, electrical and plumbing;

Total Rehabilitation Cost	***Risk Assessment Yes/No***	***Lead Safe Renovator***	***Abatement***	***Clearance Yes/No***
$32,000	Yes	$12,000 for: Windows, siding, soffit, fascia	Any additional hazards found through the Risk Assessment	Yes

Lead Risk Assessments and Lead Clearance testing costs are eligible CDBG expenses to be taken from the Rehabilitation project funds but NOT charged to the homeowner's mortgage. The Risk Assessment and Clearance testing fees may also be included in the administrative costs.

When rehabilitation plus lead hazard reduction activities cause the loan-to-value ratio to exceed 120%, you may provide the funds for lead hazard reduction activities as a grant under the following conditions:

1. The lead presence must be documented by testing rather than assumed;
2. No "cosmetic" rehabilitation is figured into the equation;
3. Only the lead-based paint hazard reduction activities may be funded as a grant; and
4. Lead-based paint hazard reduction costs that yield a loan-to-value ratio of less than 120% must be made as a loan.

Lead-based paint web resources:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/healthy_homes/enforcement/regulation
http://www.dhs.wisconsin.gov/lead/
http://www2.epa.gov/lead

H. FINANCIAL MANAGEMENT AND MONITORING-ACTIVE GRANTS

This chapter provides the guidelines for the financial management and monitoring requirements for CDBG housing programs, **specifically for those entities with a current active grant with the State of Wisconsin.** If you do not have an active grant, but are operating programs using funds only from previous grants, you should review this chapter along with chapter M. In the event of conflict between the language specified in the contract and this handbook or other supporting documents, the provisions in the contract shall take precedence.
The key to efficient and acceptable financial management of the CDBG-Housing program is outlined in 24 CFR Part 570 and OMB Circular 2 CFR Part 200. This requires the Grantee establish record-keeping requirements sufficient in detail to determine whether program funds are being spent in accordance with federal and state laws.

INITIATING CONTRACT ACTIVITY

Once an award of funds is made, the Grantee must undertake a series of steps before signing contracts and engaging in projects. The State of Wisconsin must diligently track all disbursements made for the CDBG-Housing program; therefore, Grantees and the State are required to establish unique documentation and/or accounts dedicated specifically to this program prior to the first payment. These steps include the completion of the **Electronic Deposit Authorization Form (to receive electronic transfer of funds)** and the **Signature Certification.** From the data on these certifications, the State will prepare a **Request for Disbursement** form specific to the program. These documents provide information regarding the account into which funds will be deposited by the State, and certification of who at the local level can request funds. These steps are described in detail below.

Two disbursement options are offered to Grantees:

1. **PREPAYMENT SYSTEM:** A Grantee may periodically request grant funds, provided sufficient invoices have been/will be received to quickly disburse those funds. Under this arrangement, the Grantee may want to establish TWO checking accounts to properly document program expenditures.

   The first checking account is the Grant Account, the account which receives grant funds from the state. This must be a noninterest-bearing account from which all non-rehabilitation expenses are paid directly. Funds used to pay contractors for rehabilitation activity are transferred to the second account, called the Working Account. This account MUST be an interest-bearing account.

   Both accounts require activity documentation – financial logs named, respectively, the Grant Account Transactions Journal and the Working Account Transactions Journal.

2. **REIMBURSEMENT SYSTEM**: If a Grantee is in a financial position to pay all program invoices upon receipt, it may choose to operate under a reimbursement arrangement. Payments for CDBG-Housing Program activity will be made to the Grantee as requested to reimburse their account for these expenditures. If this method is selected, this option is managed by a Reimbursement Account Transactions Journal.

In both cases the Grantee must complete an **Electronic Deposit Authorization Form** that provides information on the account into which program funds will be deposited by the State. This form provides required routing information from the participating financial institution. Further, these details allow State CDBG Housing specialists to create the disbursement process through the State fiscal system, and the form must be complete and accurate before any payments can be made.

To finalize the set-up process for CDBG-Housing funds disbursement, the Grantee's Chief Elected Official (CEO) must authorize those individuals eligible to request grant funds. Grantees must complete the **Signature Certification** form. All individuals to be authorized must complete, sign and date the form. When completed, the CEO must sign the Certification to authorize those signatures. The date of the CEO's certification **may not** precede the signature date of those being authorized to request disbursements from the CDBG-Housing program, and the CEO **may not** authorize him/herself to request funds.

If either the participating financial institution or those individuals authorized to request disbursements change during the life of the grant, the Grantee must request, complete and submit a new Electronic Deposit Authorization and/or Signature Certification forms prior to initiating any new disbursement activity.

The last step in establishing the CDBG-Housing grant disbursement process is creation of the **Request for Disbursement** form by DOA/DEHCR. This form will include routing information from the Electronic Deposit Authorization Form, as well as specific spending category indicators derived from the federal reporting system.

In summary, there are a number of steps required prior to initiating the first request for disbursement of CDBG-Housing funds, including the following:

1. A signed Electronic Deposit Authorization Form has been received;
2. A signed and dated Signature Certification has been received;
3. A fully executed CDBG-Housing grant agreement is in force;
4. An Environmental Review has been completed and an Environmental Certification has been issued. This certificate is provided by State staff after submission of information by the Grantee.
5. If applicable, a proposed or approved consultant administrative contract is in place;
6. If applicable, Labor Standards Process is under way (for budget categories subject to Davis-Bacon wage rates, the Request for Wage Rates and the Labor Standards Contractor forms must be submitted prior to disbursement);
7. The Request for Disbursement form has been received from DOA/DEHCR with appropriate supporting documentation.

CDBG project funds may not be requested for payment of work that was initiated prior to receipt of the grant award letter. After receiving the grant award letter – but prior to completion of the Environmental Review process – administrative and engineering costs incurred may be reimbursed.

No individual project rehabilitation funds may be requested for mortgages signed **prior** to the execution of the grant agreement with DOA/DEHCR, or after the expiration date of that contract.

REQUESTING CDBG-HOUSING GRANT FUNDS

Project Funds

Grantees operating under the **reimbursement system** may submit a Request for Disbursement at any time reimbursement activity reaches the $5,000 minimum disbursement request (with the exception of the program's final disbursement request, for which there is no minimum). Invoices that total the disbursement request (rounded to the nearest whole dollar) must accompany each request. In the event of conflict between the language specified in the contract and this handbook or other supporting documents, the provisions in the contract shall take precedence.

Under the **prepayment system,** Grantees must submit a request (rounded to the nearest whole dollar) which includes all invoices that have been received and need to be paid. ONCE FUNDS ARE RECEIVED, eligible funds must be transferred to the Working Account within three (3) days and expended from that account within seven (7) working days. [1]

If the Grantee advances funds to the CDBG program, the Grantee **cannot** use CDBG funds to pay interest to themselves for use of the advanced funds.

CDBG grant funds are transferred electronically, from the State to the grantee, as guided by information provided on the Electronic Deposit Authorization Form.

Regardless of which system is used, invoices that are submitted for payment or that are paid, in the case of the prepayment system, **must** include the following information:

1. Invoices must be published on company letterhead;
2. Invoices must be dated and signed;
3. Must include a brief description of the services provided, including the time period over which services were offered, cost breakdown, and the name of the CDBG client and address of work completed.

The invoice must state that the request for payment reflects "allowable costs and activities" as outlined in the contract. [2]

Under certain circumstances - and with prior approval from DOA/DEHCR staff - CDBG-Housing payments may be expedited. This request must be submitted on Grantee letterhead, signed by the Chief Elected Official, and include: (1) the reason for the expedited payment request, (2) the amount of the payment, and (3) the date the payment would need to be received.

Administrative Funds

A Grantee may request up to seventy-five (75%) of its administrative budget for CDBG-related activities (*expenses must be incurred prior to request and supported by invoice*). Once seventy-five (75%) of administrative funds have been requested, DOA/DEHCR will only release administrative funds in proportion to requests from project budget lines. In the event of conflict between the language specified in the contract and this handbook or other supporting documents, the provisions in the contract regarding administrative funds shall take precedence. DOA/DEHCR will retain the final ten (10%) of the administrative budget until the final request for disbursement has been received.

FINAL REQUEST FOR CDBG FUNDS

In the event of conflict between the language specified in the contract and this handbook or other supporting documents, the provisions in the contract regarding fund disbursement shall take precedence. A Grantee will designate its final request for funds in a CDBG-Housing grant program by checking the box provided in the upper right-hand corner of the Request for Disbursement form (Section I). The final request is the only disbursement request which may be less than $5,000.

Grant money received from the final request remains subject to the timeliness requirement for expending funds (within three (3) working days of receipt).

[1] REMINDER: Payments made directly from the Grant Account must be completed within three working days of receipt and include administrative expenses, downpayment/closing costs, public facility project costs and acquisition/demolition/relocation expenses. All payments to contractors for rehabilitation activity must be paid from the Working Account after funds are transferred from the Grant Account.

[2] Source documentation must be provided "in accordance to generally accepted accounting practices" (OMB Circular A-87).

Eligible costs must be incurred by the end of the timeline period, and all project funds must be disbursed within thirty (30) days of the end of the contract. Disbursement requests submitted ten (10) days or more after the end of the contract period must provide documentation that the costs were incurred before the expiration date of the contract.

No funds may be requested after sixty (60) days past the end of the contract.

TREATMENT OF PROGRAM INCOME AND REVOLVING LOAN FUNDS (RLF)

Another source of revenue, in addition to CDBG contract funds, is revenue that results from the operation of CDBG projects. When revenue from a CDBG project operation is received (i.e. loan payoff or monthly rental-unit installments, interest income), it should be identified as PROGRAM INCOME. If an entity receives program income or revolving loan funds, it must be used to continue the same type of activity that generated it. [3]

REVOLVING LOAN FUNDS (RLF) RLFs are the repaid dollars which have a reuse designated in the CDBG contract and are currently being classified as Program Income. Two examples of existing RLFs are the repayment of housing rehabilitation loans and interest earned from funds held in an account by the Grantee.

This type of Program Income will continue to be reported in the Grantee's Working Account Transactions Journal and **must** be disbursed prior to requesting new CDBG funds. Program Income of this type received between Disbursement Requests must also be reported on Line 2, Section 2, of the subsequent Request for Disbursement. Grant Specialists will monitor the use of RLF dollars prior to any requests for new funds, and DOA/DEHCR will reconcile Program Income (based on the Line 2, Section 2 data) for HUD semi-annually.

Program income earnings reported on line 2 of the Request for Disbursement of Community Development Block Grant Funds form are recorded in the *Misc. Deposit* column on the Working Account Transactions Journal. If such earnings occur *after* the final Request for Disbursement of Community Development Block Grant Funds is submitted, and there is no active state-administered CDBG contract, the community may use the income on any eligible CDBG housing activity that it wishes to undertake unless its contract with DOA/DEHCR makes some other stipulation.

Program income earned from any prior state-funded CDBG housing grant must be applied to the active CDBG housing grant.

Grantees must report to DOA/DEHCR the bank interest earned from January 1 to December 31 of each year. If the amount exceeds $500 the funds must be remitted to DOA/DEHCR, which will in turn remit the funds to the U.S. Treasury. If the amount is less than $500 the Grantee may retain the funds and use them for administrative expenses. [4]

Interest earned on federal *advances* to a community is **not** program income. Any such earnings must be immediately returned to DOA/DEHCR for forwarding to the U.S. Treasury. To prevent such earnings, DOA/DEHCR requires Grantees to use noninterest- bearing checking accounts for their CDBG Grant Account.

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[3] **PROGRAM INCOME** is revenue received which does not have a reuse designated in the current CDBG contract. Examples of possible program income are service fees, usage or rental fees.

[4] If the funds are held in a general account, including more than just CDBG funds, calculate the interest by looking at the ratio of CDBG funds to all funds.

REVOLVING LOAN FUND (RLF)

The following guidelines apply when a Grantee receives repaid funds from a CDBG housing rehabilitation program *and* has an active grant with the State. In the event of conflict between the language specified in the contract and this handbook or other supporting documents, the provisions in the contract shall take precedence.

All rehabilitation funds repaid from a current or previous state-funded CDBG housing program must be deposited into the Working Account (usually, 85% project and 15% admin). Through the Working Account, the Grantee must be able to track RLF funds to and from recipients, identify and record interest earned on the funds, document that RLF rehabilitation funds are used (spent or obligated) prior to requesting new rehabilitation funds from DOA/DEHCR, and document that RLF administrative funds are used prior to requesting additional administrative funds from DOA/DEHCR.

RLF administrative funds are intended to be used for the administration of the RLF project funds. Consequently, Grantees should strive to keep **not more than** fifteen percent (15%) of the RLF project balance on hand for RLF administration at any given time.

Up to fifteen percent (15%) of loan repayments deposited into a revolving loan fund may be used to administer loans made from the revolving loan fund. However, fifteen percent (15%) **may not** be taken from funds deposited in the RLF if the deposited funds are from a loan reduction[5].

A municipality with an excessive RLF Administration balance may, with the local housing committee approval, transfer RLF funds from Administrative to Rehabilitation (DOA/DEHCR must be notified). RLF Rehabilitation funds spent should be accompanied by a corresponding RLF Administration amount to maintain a reasonable RLF Administration balance (i.e. New grant funds for administration should **not** be used to administer existing RLF rehabilitation expenditures).

The RLF is reserved for housing projects and related administration only during the life of an active grant. If a Grantee plans to request funds from DOA/DEHCR for a new non-rehabilitation activity (administration, Direct Homeownership Assistance), the municipality should request an amount that can be supported by invoices (i.e. a non-rehabilitation activity fund request **should never** be reduced by the amount in the revolving loan fund).

RLF funds deposited in the Working Account are **not** reported on the Grant Account Transaction Journal, or on line 2 of the Request for Disbursement form. Instead, these earnings are recorded only on the Working Account Transactions Journal.

If RLF dollars are received **after** a disbursement request is submitted or received, the Grantee must spend the grant dollars first and then spend the RLF dollars on the next authorized activity.

FINANCIAL RECORDS

Basic Requirements

Federal regulations governing the CDBG program require Grantees to establish adequate recordkeeping. A key provision requires records "pertaining to...authorizations, obligations, unobligated balances, assets, liabilities, outlays and income" to be maintained. In the event of conflict between the language specified in the contract and

[5] This occurs, for example, when a rehab loan is closed, but then expenses may be lower than originally anticipated. It could also occur in the case where a rebate is provided for particular rehab activities or products.

this handbook or other supporting documents, the provisions in the contract regarding financial records shall take precedence.

To meet such standards, the Grantee must maintain the following financial records:

1. Disbursement Summary Register;
2. Grant Account Transactions Journal *(if applicable);*
3. CDBG Reimbursement Request Form;
4. Rehabilitation Obligations Tracking Journal;
5. Working Account Transactions Journal *(or Reimbursement Account Transactions Journal);*
6. Individual Obligation Journal;
7. Program Beneficiaries Data Sheet;
8. Outstanding Loan Ledger;

Disbursement Summary Register

The Disbursement Summary Register keeps a running balance of disbursements allocated to each budget category of a grant. Its purpose is to help the Grantee keep track of which budget category funds have been drawn from, and the balance of each budget category. This report should be maintained by the Grantee and made available at monitoring.

Grant Account Transactions Journal

The Grant Account Transactions Journal collects information required for all federal grants, maintaining a detailed record of daily activity in the Grant Account. It also provides documentation that CDBG funds have been disbursed in a timely manner.

Each deposit or disbursement in the Grant Account Transactions Journal must be recorded on a new line – NEVER show a deposit and disbursement on the same line.

The Grant Account Transactions Journal will record grant award deposits, program income, and disbursements. For all deposits, the date, description of activity and amount are recorded in the appropriate columns. When checks are written - or funds are transferred from the Grant Account - the date, description of activity (payee), check number, amount and budget category are recorded.

Every entry in the Grant Account Transactions Journal **must** be supported by proper documentation including bank statements, vouchers and invoices. **Do not** enter any payments made by the municipality which will be reimbursed later by CDBG funds (see CDBG Reimbursement Request Form Section).

Some financial institutions require a minimum deposit to open a checking account. If so, a Grantee may use municipal funds to open the account and repay the municipality once funds are deposited in the Grant Account. Here's how:

1. Deposit minimum amount required to open account;
2. Enter amount as "Miscellaneous Deposit" in the Grant Account Transactions Journal;
3. Increase "Federal Cash on Hand" by the amount;
4. Show the amount as *Program Income & Other Receipts* on Disbursement Request Form;
5. Reimburse municipality when initial disbursement is received;
6. Enter reimbursement on Grant Account Transaction Journal as payment to municipality (admin expense).

The Grant Account Transactions Journal provides disbursement data needed to complete the **Request for Disbursement of Community Development Block Grant Funds** form. Grantees with concurrent contracts must maintain a separate Grant Account Transactions Journal for each contract.

The Grant Account Transactions Journal should be updated by the Grantee with each transaction and submitted with each disbursement request.

Project Loan Tracking Report/Loan Portfolio

This ledger includes a list of all loans that have been made by the Grantee, including whether the grant is outstanding or paid off. This should be an ongoing list of loans, property address, and payment status.

CDBG Reimbursement Request Form

Some Grantees will find it necessary to advance funds to the CDBG program and be reimbursed at a later time. When this happens, use the CDBG Reimbursement Request Form to track the payments as they are made. This form records:

1. When the municipality made each payment;
2. To whom each payment was made;
3. The number of the supporting invoices;
4. The check numbers;
5. The amount of each payment;

To use the CDBG Reimbursement Request Form:

1. Fill in the required information as payments are made by the Grantee, and attach a copy of each paid invoice.

2. Sign the form to request reimbursement from the CDBG Grant Account, entering the full reimbursement amount and date on which the CDBG Grant Account check was written on the Grant Account Transactions Journal.

3. File the CDBG Reimbursement Request Form - and supporting documents – with the financial records for the CDBG program. The CDBG Reimbursement Request Form should be prepared by the Grantee and submitted with each related disbursement request.

> *The Grant Account Transactions Journal will **never** show a check paid by the municipality. All checks issued by the municipality, to be reimbursed by the CDBG-Housing program, will be listed on the CDBG Reimbursement Request Form.*

Working Account Transactions Journal

Just as your Disbursement Summary Register, Grant Account Transactions Journal, and Reimbursement Request forms reflect the activity of your Grant Account, the Working Account Transactions Journal and will reflect your rehabilitation and RLF activities. This journal tracks the grant funds that have been drawn down and disbursed for housing rehabilitation projects, records repaid housing rehabilitation loans, and interest earned on the Working Account.

> *The Working Account must earn interest (24 CFR 570.511), and must be separate from your Grant Account which is non-interest bearing.*

Whenever money is **returned** to the community as the result of a housing rehabilitation project - whether it is a monthly loan payment or the return of deferred loan funds - it is deposited into the Working Account and recorded in both the Working Account Transactions Journal as well as the Rehabilitation Obligations Tracking Journal. All interest earned on the Working Account must also be recorded in both Journals.

The Working Account Transactions Journal documents that grant funds are disbursed for housing rehabilitation projects within ten (10) *working days* of receipt (three (3) days allowable in Grant Account, seven (7) days in Working Account). It also documents that available RLF project funds are disbursed *prior* to the request for new CDBG grant funds.

All RLF dollars (including interest earned) are to be recorded in the Working Account Transactions Journal as soon as they are received.

Funds from the Grant Account are deposited into the Working Account **after** contracts have been signed, mortgages recorded, and in anticipation of the disbursement needs of the next ten (10) working days. The Working Account Transactions Journal is to show payments as they are made for all rehabilitation activities.

Funds for the rehabilitation of dwelling units consisting of four (4) or fewer units may be deposited into the Working Account. Project with five (5) or more dwelling units and non-rehabilitation projects **must** be managed through the Grant Account.

The Working Account Transaction Journal should be updated with each transaction by the Grantee and submitted with each disbursement request.

Rehabilitation Obligations Tracking Journal

Grantees must maintain a system for tracking obligated and unobligated balances. The purpose of such a system is to help a Grantee avoid accidentally over-committing available funds. The Rehabilitation Obligations Tracking Journal must include date of loan approval, loan number, loan amount (how much is obligated), and balance available. This journal will keep the Grantee aware of unobligated balances of funds, including the deposit of RLF repayment funds.

Individual Obligation Journal

A separate record must be kept for each loan recipient. This will enable administrators to have an accounting of how much has been paid out for each loan recipient. A copy of the Individual Obligation Journal should be kept in each rehabilitation project file.

The Individual Obligation Journal is a tool to assist program administrators in anticipating rehabilitation spending needs. *Obligated* funds are **not** *committed* funds as required for documentation on the Quarterly Reports. Committed funds are reported **only** after the mortgage and rehabilitation contracts are signed, while obligated funds are the anticipated costs based on rehabilitation estimates.

OTHER FUNDS

If other public/private funds are used, the Grantee must maintain records to document the amount, date and purpose of these funds.

Homebuyer Projects- For homebuyer projects, a copy of all bank mortgages (between the homeowner and the bank) must be on file. When funds are used for down payment assistance for a homebuyer project, a copy of the letter to the homeowner, detailing what the homeowner contribution is, must be on file.

Donations- Cash donations to the rehabilitation program must be deposited in the Working Account and recorded on the Rehabilitation Obligations Tracking Journal and the Working Account Transactions Journal as a RLF project deposit with a notation in the description column that it is a “donation” to the program or for a specific purpose (e.g., a donation to be used for paint or a specific homeowner project). A copy of the check must be in the file for

documentation of other funds brought into the program. Donations received for a specific homeowner project need not be disbursed until the appropriate project payment is ready to be made.

Cash contributions from a homeowner for his/her individual project must be recorded on the Working Account Transactions Journal (under RLF project deposit). A copy of the check must be on file for documentation of Other Funds brought into the program. Cash contributions for any non-rehabilitation purpose (e.g., down payment, site acquisition) must be paid directly to the individual project and documented with a copy of the check.

ADMINISTRATIVE EXPENSES

A Grantee may use CDBG funds to pay the salaries of ***municipal*** employees who administer the CDBG programs. These expenses need to be documented and based on actual time worked in support of project administration. Examples of eligible administrative expenditures include; (1) general management, oversight and coordination, (2) attendance at trainings, (3) fair housing, and (4) indirect costs.

When requesting payment for administrative expenses (or drawing administrative costs from program income), the request must be based on actual time spent administering the program and actual costs associated with the employee (salary, taxes, insurance, etc.). The information required for reimbursement includes the number of hours worked and the hourly rate. Time sheets **must** be maintained to document the number of hours worked, and documentation must be developed and maintained that justifies the hourly rate charged. This information will be reviewed during monitoring, or can be requested when the request for payment is received.

Administrative costs may also be paid to third-party program administrators. Time spent by third-party administrators on program administration must likewise be documented (using a time sheet) and an hourly rate. If administrators elect to be paid a fixed amount per project, a time sheet must demonstrate that these project specific costs are justified. A program administrator may **not** make a "profit" on management of programs.[6] All payments made must be based upon the actual cost of operating the program.

Wages paid to hired or appointed employees for work on the CDBG program must be comparable to wages paid for comparable work in the area. Elected officials may only be paid for time spent on the CDBG program if they request and receive a waiver of conflict of interest from DOA/DEHCR ***prior*** to performing the work for which they will be paid.

CDBG may not be used to pay for administrative expenses incurred after the expiration date of the contract with DOA/DEHCR.

Refreshments (for meetings) and meals are **not** an eligible CDBG expense (except when traveling on CDBG-related business).

A Grantee may elect to pay a per diem or salary to members of the CDBG committee **only** if all other such committees (e.g., public works committee, zoning committee, council) receive a similar payment.

ACQUISTION/DISPOSITION REGISTER

All Grantees are required to maintain an Acquisition/Disposition Register if federal funds are used for approved purchases. This document reports all property (including real property) acquisitions for items costing over $500 if CDBG funds were used for those purchases. The register should include a description of the item, cost, date purchased, how disposed, and when.

[6] There are exceptions to this when a company is a for-profit company.

If a purchase with CDBG dollars is made that is less than $500, the grantee must maintain a register to show all purchases. All dispositions of CDBG-purchased items (including those purchased with previous state-administered grants) must be recorded on this Register.

The Acquisition/Disposition Register is to be maintained in the Grantee's closeout file and be submitted with the Closeout Report when an individual program is completed.

Items (including computer software) valued in excess of $2,000 are not normally eligible expenses. These items should be of a size and capacity appropriate to the current CDBG program administrative needs. If the Grantee wishes to acquire an item with greater capacity than is needed for current administrative needs, the CDBG administrative funds will pay for only that size/capacity needed to serve the CDBG program. If the Grantee wishes to purchase equipment with the intention of also using it for other local government needs, the cost should be prorated with other users based upon the percentage of usage.

Equipment valued in excess of $2,000 may be acquired in one of the following ways:

1. Items may be leased from a vendor based on a 5-year amortization of the cost of the item, or the life of the item, whichever is greater. In this case, the CDBG administrative budget will cover the monthly cost of this lease for the eighteen (18) month contract period; or

2. The local unit of government may purchase the item and then charge the CDBG administrative budget the equivalent of the lease cost of the item for the life of the program. The remaining cost above the life of the program becomes the responsibility of the local government; or

3. The Grantee may purchase the item outright using the CDBG administrative budget funds. At the end of the contract period the Grantee must appraise the trade-in value of the item and add that trade-in value to the calculation of the amount to be returned to DOA/DEHCR at the end of the contract period.

A Grantee may not purchase equipment or computer software valued in excess of $2,000 without ***prior*** written approval from DOA/DEHCR. If equipment is purchased with federal funds, a fixed asset register must be maintained. Items valued at less than $2,000 may be purchased with the CDBG funds designated for grant administration.

Disposition of Equipment

At the time of closeout of a CDBG program, the Grantee must assess the trade-in value of those items purchased with CDBG funds and reimburse DOA/DEHCR for the assessed trade-in value of that equipment if the aggregate value of the items exceeds $2,000. This amount should be included on line D.3 of the Certificate of Completion.

INDIRECT COSTS

In addition to direct Administrative expenses (salaries), Grantees may charge indirect costs. Indirect costs are those expenses that are incurred incidental to operating the program. It includes things like rent, office supplies, administrative services, etc. Indirect costs may be charged under the following circumstances:

For UGLGs, certain services, such as purchasing and accounting, are provided to operating agencies on a centralized basis. If the UGLG wants to charge these costs to the federal award, a **central service cost allocation plan** in accordance with 2 CFR Part 200 must be developed. The UGLG must develop and maintain the plan, but it does not

need to be submitted for federal approval unless requested by DOA/DEHCR staff. This plan and associated costs will be monitored by DOA/DEHCR during the monitoring process.

For UGLGs and Nonprofits that want to charge indirect costs to the federal award, an **indirect cost rate proposal** must be developed in accordance with 2 CFR Part 200.

1. The UGLG must develop and maintain the plan, but it does not need to be submitted for federal approval unless requested by DOA/DEHCR. This plan and associated costs will be monitored by DOA/DEHCR during the monitoring process.

2. The nonprofit organization must develop and maintain the plan, and it must be submitted annually to the cognizant agency for approval. The negotiated indirect cost rate agreement and associated costs will be monitored by DOA/DEHCR during the monitoring process. IF the nonprofit has never received a negotiated indirect cost rate, they may elect to charge the de minimus rate of ten (10%) of direct costs.

Costs may be charged either directly or indirectly. A direct cost can be directly attributed to the project. For example, if a staff person shows ten (10) hours working on property 123 Main Street on their timesheet, that time is directly attributed to that project.

PROJECT DELIVERY COSTS/ PROJECT-RELATED SOFT COSTS

The cost of carrying out an activity includes salary-related costs incurred by the local government or program administrator directly related to carrying out the project. Examples of eligible project delivery costs include (1) loan processing and underwriting, (2) preparation of work specifications, (3) construction inspections and oversight, (4) project-specific environmental reviews, etc. These costs are considered part of the cost of implementing CDBG activities.

<u>Implications of charging project delivery costs to a project</u>:

1. Administrative costs charged to the project should not be included in the loan to the project owner.
2. If the project does not go forward, project costs that have been incurred for the project (inspection fees, etc.) must be charged as an administrative cost.
3. Staff must track and report their time by property address.

I. MONITORING

The State of Wisconsin bears responsibility for ensuring the CDBG funds are used according to all regulatory requirements. As a result, Grantees, using funds from an active contract or those using CDBG-RLF funds will be regularly monitored in order to ensure that the programs are managed according to all federal program rules and that cross cutting requirements are applied as necessary. In addition, state staff reviews written policies and procedures for all Grantees and ensure that these policies are applied consistently and routinely. Monitoring includes a review of written policies and procedures, a review of project files, on-site visits to verify information in the files, and a review of financial documents and administrative policies.

This section discusses the objectives of monitoring, and what Grantees can expect when a monitoring is scheduled. Some requirements differ for those with active grants and those Grantees using only CDBG-RLF funds. Differences are noted where appropriate.

OBJECTIVES OF MONITORING

Monitoring of Grantees is a way to:

1. Evaluate organizational and project performance and ensure that the organization has adequate capacity to administer the CDBG program(s).
2. Ensure the CDBG resources are being used effectively and meet the Low to Moderate Income (LMI) national objective.
3. Ensure production and accountability.
4. Evaluate responsiveness to community needs.
5. Adjust and modify program policy and procedures.

In order to determine that all areas are addressed, several types of monitoring will be completed by state staff. These include:

1. **Program Monitoring**: This ensures that programs are being managed effectively and in compliance with CDBG rules and regulations. This will include a review of written policies and procedures.
2. **Administrative Monitoring**: This includes a review of the organizational capacity related to program administration, and a general review of grant and financial management procedures.
3. **Project Monitoring**: This includes a determination that each project complies with the policies and procedures. It will include a physical inspection of selected projects that have been completed and a review of files to determine that adequate documentation is in place to demonstrate compliance.

4. **Long-Term Monitoring**: Ongoing monitoring is required during the loan term for some programs. For example, during the term of the loan, the address that was assisted must be the primary residence and must be insured, with the Grantee as a named insured.

    - For rental projects, compliance related to income and rents must be verified. Each Grantee must establish an annual system to ensure that landlords rent to eligible tenants and that they are aware of current rental and income limits for those renting assisted units. State staff may monitor for consistency as required by program rules.

    - For homeowners, a letter or postcard (with return service requested) must be sent to any homeowner with an outstanding loan balance. Alternatively, utility or tax bills can be monitored to ensure that the owner continues to live in the home.

State staff will verify that required long term monitoring system(s) are in place and documentation of compliance is maintained.

FREQUENCY OF MONITORING

Desk Review

State staff completes desk reviews of local and regional program activity and production on an ongoing basis using quarterly and annual reports. These reports help determine if the program is on target for meeting production goals and that complete and accurate reporting takes place.

Grantee Technical Assistance

Grantees may also receive technical assistance from State staff to assist them with program set-up and/or any concerns related to management of their program. Assistance may be provided by phone or as part of an on-site visit. Grantees facing problems are encouraged to be pro-active in obtaining assistance from State staff to review programs or policies if there are questions or concerns.

On-Site Monitoring

More thorough monitoring is done with an on-site visit to the Grantee that may last 2-3 days. It is the intention of DOA/DEHCR to conduct on-site monitoring of every regional program at least once during the performance period. More frequent visits could be triggered if one of the following occurs:

1. New staff;
2. Inaccuracies reported during quarterly or annual reports;
3. Reported concerns/low activity level;
4. Concerns about staff program knowledge/experience.

In addition to these factors, complaints about program operation from consumers or concerns on the part of elected officials, may trigger an on-site visit. Finally, if there were complex or large projects in that region, regardless of other factors, on-site monitoring may be considered a higher priority.

When DOA/DEHCR representatives come to the community to monitor the CDBG program the grantee can expect the following:

1. To be notified in advance of the monitoring visit. State CDBG staff will never pay a "surprise" visit to your office. Dates and times are usually not negotiable unless unforeseen circumstances exist.
2. To receive a letter and/or email prior to the monitoring visit describing when state staff will arrive on site. The letter will also include a description of the scope of monitoring, the files that should be available and the length of the visit. Local staff should be available during the on-site visit and should arrange their schedules accordingly.
3. To provide a conference room or other enclosed area in which at least two people can work comfortably.
4. To be required to have the necessary forms and documentation ready and available during the monitoring visit. This will assist the monitoring visit to go quickly and smoothly.

State CDBG staff has the right to review any file or record that is associated with the CDBG program. The CDBG representatives monitoring your program will use the forms listed in the Forms Section of this manual when completing the monitoring visit.

When on-site, staff will want to review project files, visit the site of a sample of completed and/or on-going projects, and review your financial management procedures. As part of the financial management review, DOA/DEHCR will ask to review documentation for a recent invoice that was submitted for payment to ensure that appropriate documentation is maintained in the file.

Grantee's must be able to fully document the management of CDBG Housing program in order to demonstrate compliance with all applicable regulations. During the on-site monitoring, DOA/DEHCR will review a variety of files that are maintained at the local level.

The filing system you establish should be easy to follow, and must provide chronological account of your activities for examination and review by DOA/DEHCR staff, HUD staff, and other entities such as financial auditors, etc. A separate administrative file system must be established for each CDBG housing contract.

ADMINISTRATIVE REVIEW

This portion of the monitoring will focus on program administration and will include records related to pre-award, implementation, and closeout process. The administrative review will differ depending on whether an active grant is in place or not. If a Grantee is using CDBG-RLF funds only (and no active grant is in place), this review will not include all of the documents listed below, as they will not apply to CDBG-RLF Grantees.

In the case of Grantee with an active grant, the following sections describe the types of information that may be reviewed:

1. Original Application to DOA/DEHCR and Grant Agreement;
2. Correspondence about the application;
3. Citizen participation plan and documentation showing requirements have been met before and during public hearing: published notices, 14-day evidence, clerk's certification, hearing date and minutes;
4. Signed "lobbying" Certification Form;
5. A copy of Non-Violent Demonstration Policy;
6. A copy of Anti-Displacement Policy;
7. Relocation Plan;
8. Procurement Records: we will review local procurement activities. (More detail related to procurement process is included elsewhere in this Manual). We will expect to see and review written local procurement policies demonstrating evidence of fair procurement practices when hiring contractors/consultants/inspectors/engineers, including:
    a. Request for Proposals or Bid Packets;
    b. Method used to evaluate proposals;
    c. Selection committee/board approval of successful bidder(s) and rationale;
    d. A copy of the executed contract;
9. Environmental Review Record Tier I (including the copy of the letter received from DOA/DEHCR); and
10. Grant Award Letter from DOA/DEHCR.

Housing Committee Records

Monitoring will include a review of the minutes of meetings and information approved by the Housing Committee, such as:

1. Evidence of adoption of a Policies & Procedures Manual;
2. Committee member names and contact information; and
3. Meeting minutes and evidence of open public meeting requirements.

Grant Agreements

During monitoring, DOA/DEHCR staff will ensure that there are adequate agreements in place related to program operation. This might include:

1. Grant Agreement signed by both parties (if available); and
2. Regional Cooperative Agreement and adopting resolutions (if applicable).

Equal Opportunity Files

During the monitoring, DOA/DEHCR staff may review:

1. Demographic profile of distribution area;
2. Affirmative Action Plan (AAP) notice posted in conspicuous place, visible for all to see;
3. Grantee employment data;

4. Current chart of MBE/WBE contracts/subcontracts;
5. Current chart of Section 3 businesses (active Grantees only);
6. Evidence of efforts made to promote the use of local businesses;
7. Actions taken to implement Title VI and Section 109;
8. Record of promotion local LMI employment/training;
9. Fair Housing Ordinance(s); and
10. Evidence of minimum 3 actions to further fair housing (active Grantees only).

Administrative Expenditures

Each CDBG contract includes a budget line for administrative expenses. Eligible administrative expenses include:

1. Salary
2. Fringe benefits
3. Office rent
4. Travel
5. CDBG-related training
6. Consultant payments

During monitoring, DOA/DEHCR staff will review this information to verify that administrative payment requests have been accurately determined.

Financial Management Files

State and federal regulations set forth the financial management procedures which must be followed in administering a CDBG grant. For details on how to comply with these requirements see Chapter I of this manual. If there are questions concerning the requirements, contact DOA/DECHR.

The following must be maintained by grantees with active contracts to document financial management activities:

1. Disbursement Summary Register;
2. Depository Certification Form;
3. Signature Certification Form;
4. Requests for payment of CDBG funds;
5. Grant Account Transactions Journal;
6. CDBG Reimbursement Request Form;
7. Rehabilitation Obligations Tracking Journal;
8. Working Account Transactions Journal;
9. Individual Obligation Journals;
10. Program Beneficiaries Data Sheet;
11. Source documentation for administrative costs (invoices, payrolls, contracts, etc.);
12. Cancelled checks, deposit slips, bank statements, etc.; and
13. Other funds documentation (copy of bank mortgages, donation checks, materials receipts).

For those Grantees using only CDBG-RLF funds, the following will be reviewed:

1. RLF Account Transactions Journal;
2. Individual Obligation Journal;
3. Program Beneficiaries Data Sheet;
4. Source documentation for administrative costs (invoices, payrolls, contracts, etc.);
5. Cancelled checks, deposit slips, bank statements, etc.; and
6. Other funds documentation (copy of bank mortgages, donation checks, materials receipts).

Conflict of Interest Files

The Conflict of Interest File includes:

1. A copy of the legal opinion signed by the attorney;
2. Meeting minutes showing disclosure of the conflict and attendees; and
3. Correspondence from DOA/DEHCR.

PROJECT FILES

Individual project files should include a complete record of all project activities. Each project must have its own file. Within each file there should be documentation to record the chronological history of the project. Grantee should establish a checklist for each phase of the project. The checklist shall be attached to the project file, so the process is easy to follow. Here are the phases of the CDBG Housing project:

1. **Application Intake**
    a. Signed and dated application form, including statements related to marital status, citizenship, conflicts of interest, release of information (see common application form);
    b. Proof of homeowner's insurance;
    c. Proof of ownership; and
    d. Determination of property address.
2. **Income Verification – LMI limits must be included in project file**
    a. All required information necessary to verify income using the Part 5 definition;
    b. Correspondence to employers requesting information;
    c. Correspondence to homeowner; and
    d. A signed and dated income verification sheet.
3. **Application approval**
    a. Correspondence approving/denying application.

4. **Environmental Review (see Environmental Chapter)**
    a. Statutory Checklist, which specifies the age of structure. (If can't be determined it is assumed to be fifty (50) years old);
    b. Environmental review, completed, dated and signed;
    c. All supporting ER documentation must be present (maps); and
    d. Other ER correspondence, if necessary.

5. **Inspection**

    a. HQS Report completed and signed;
    b. Before and after pictures of the property (items to be repaired/replaced);
    c. Lead-based paint brochure receipts;
    d. Lead-based paint presumption notice or lead risk assessment;
    e. Detailed work specifications and Grantee estimate for the cost of the project; and
    f. Equity Determination (120%).

6. **Bidding**

    a. Returned bid packets from minimum three (3) bidders (or at a minimum effort to obtain three (3) bids). The bids must be dated;
    b. Evidence of free and open procurement;
    c. Evidence of MBE/WBE and Section 3 requirements;
    d. List of contractors from the homeowner;
    e. Letter from Grantee to bidders specifying bid deadline and bid opening date;
    f. Contractor verification form and required copies of certification and licenses, debarment check; and
    g. Detailed work specifications. The work specifications should be inspected and signed by the homeowner.

7. **Contracting**

    a. Acceptance of bids signed by the homeowner;
    b. Borrowers agreement;
    c. A copy of rehabilitation contract signed by homeowner and contractor. Signature block shall include signature, printed name, and date; and
    d. Relocation analysis and completion.

8. **Loan Closing Documents**

    a. Terms & Conditions;
    b. Mortgage form – signed and recorded;
    c. Promissory Note;
    d. Right of Rescission;
    e. Truth-in-Lending statement;
    f. Add Grantee to homeowner's insurance letter and consequent policy changes; and

g. Documentation of match funds, if applicable.

9. **Project payments**

   a. Individual obligation journal;
   b. Contractor's invoices;
   c. Interim Inspection Reports;
   d. Payment Request form signed by homeowner, administrator and inspector;
   e. Lien Waiver(s); and
   f. Written and authorized change orders.

10. **Final Inspection and project closeout**

   a. Final Inspection Report/Correspondence to homeowner;
   b. Lead-based paint compliance (clearance, if necessary);
   c. Evidence of smoke and carbon monoxide detectors; and
   d. Rehabilitation pictures from the beginning and end of projects, as well as interim inspections if performed.

J. SINGLE AUDIT

The State of Wisconsin has adopted the single audit concept for local governments beginning with FY 1987. Single audits being performed for local governments and nonprofit administrators to satisfy the federal requirement will also include the state compliance features for the selected state programs. The selected state programs are itemized in the Wisconsin State Single Audit Guidelines.

OMB Circular 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards: Subpart F includes information on the audit requirements. These requisites require that a single audit be conducted when a grantee reaches a threshold of $750,000 in federal expenditures. Both Grantees with active grants and revolving loan funds are required to comply with the single audit requirement and to submit a copy of the audit to the State.

SINGLE AUDIT DETERMINATION

Recipient local governments and nonprofit administrators that expend a combined total of $750,000 or more in federal financial assistance (from all sources including RLF expenditures) in any fiscal year must have a single audit for that year. A letter confirming that an audit will be conducted must be provided to the Department of Administration (contact DOA/DEHCR for form) by January 31 of the subsequent year.

A Grantee must submit a letter to the Department of Administration regardless of Audit determination.

If a combined total of less than $750,000 in federal funds (from all sources including RLF expenditures) is expended in a year, the single audit requirement does not apply. A confirmation of non-requirement must be provided to the Department of Administration (contact DOA/DEHCR for form). Also, please list sources of any federal funds received during calendar year. NOTE: CFDA means Code of Federal Domestic Assistance.

The Grantee is required to maintain detailed records of financial assistance and to provide access to those records to federal and state agencies.

SUBMITTAL

In addition to the single audit reports, the Grantee should send all State agencies the following:

1. Management letter, if one was provided by the auditor.
2. Plan of corrective action addressing all findings contained in the single audit report and management letter.

The required audit reports must be submitted within the earlier of thirty (30) days after receipt of the auditor's report(s) or nine (9) months after the end of the audit period. Submit all documents at the same time to all agencies listed in the Schedule of Financial Assistance. Single audit reports that deal with Community Development Block Grant awards must have one copy sent to Wisconsin Department of Administration at the address indicated in the Grant Agreement.

In addition to providing the Department of Administration with a copy of the audit, counties that receive CDBG funds should contact the following Department of Health and Family Services official regarding their submission requirements:

Department of Health Services
P. O. Box 7850
Madison, WI 53707
608/267-2836

SECURING AND COST SINGLE AUDIT

The local government and/or nonprofit administrator is required to select an independent certified auditor to perform the Single Audit. The costs of audits made in accordance with the provisions of OMB Circular 2 CFR Part 200 are allowable charges to the Community Development Block Grant (CDBG) program. You may charge a proportionate share of the cost of your single audit to your CDBG administrative budget. The allowable percentage of your audit costs cannot exceed the percentage of your local budget represented by the audited CDBG funds. If CDBG funds will be used to pay for part of the Single Audit, compliance with procurement procedures is required.

K. SMALL CITIES HOUSING REVOLVING LOAN FUND (CDBG-RLF)

INTRODUCTION

Approximately 280 Wisconsin counties, cities, villages, and towns have received Community Development Block Grant (CDBG) funding for single-family housing rehabilitation since the program's inception over thirty (30) years ago. Under the CDBG Small Cities Housing program, administered by the Wisconsin Department of Administration (DOA) – Division of Energy, Housing, and Community Resources (DEHCR), homeowners and households earning less than eighty percent (80%) of Area Median Income (AMI), hereafter referred to as Low- to Moderate-Income households (LMI), or landlords providing rental housing to LMI households, qualify for rehabilitation funding. Usually disbursed as a zero percent (0%) deferred loan, CDBG Housing funds are repaid when the home or rental property is sold or when it ceases to be the primary residence of the CDBG applicant (homeowner) or property owner.

CDBG Small Cities Housing funds repaid by Grantees remain with the counties, cities, villages, or towns that originally disbursed the funds. Repaid funds are thereafter considered part of the community's CDBG Housing Revolving Loan Fund (CDBG-RLF), available on a rolling basis for future housing rehabilitation activities undertaken within the locality. Communities unwilling or unable to continue participating in the CDBG – RLF program must return all program dollars to DOA/DEHCR.

This chapter deals specifically with the required administrative financial and management procedures for maintaining a local CDBG – RLF program. Participating localities must adhere to the procedures, guidelines, and stipulations maintained in this manual, as well as all additional relevant federal, state, and local ordinances, codes, and statutes. The contents of this manual provide the basis by which DOA/DEHCR will assess the performance and operation of local CDBG – RLF programs.

This chapter, and all sections contained in this guide, will be continually revised as federal and state regulations and requirements change. Only the most recent edition of this guide will contain the rules and regulations applicable at any given time. Grantees and participating communities are advised to remain flexible and alert to program updates or other important revisions as the statutory landscape may shift from time to time.

In the event of conflict between the language specified in the contract and this handbook or other supporting documents, the provisions in the contract shall take precedence.

CDBG – RLF PROGRAM MANAGEMENT

This section describes the requirements for managing and maintaining a local CDBG – RLF program, with special emphasis on properly completing and retaining CDBG – RLF financial management documentation. It is important to note that Grantees are expected to adhere to all other stipulations described elsewhere in this manual, including all relevant guidelines for: eligible activities; household income eligibility and verification; application procedures; bidding, contracting, and labor standards; equal opportunity and nondiscrimination requirements; environmental, historic, and archeological

review; property acquisition and occupant relocation; asbestos and lead-based paint policies; Minority Business Enterprise (MBE) and Women Business Enterprise (WBE) reporting; and annual single audit requirements.

The CDBG – RLF fund is a separate fund, independent of other CDBG program accounts. As CDBG home rehabilitation loans are repaid, these payments are deposited into an interest-earning Working Account, maintained by the local community for future home rehabilitation activities. CDBG – RLF funds must be used for the same type of activity for which CDBG funds were awarded initially (e.g. CDBG home rehabilitation funds repaid into a CDBG – RLF account **must** be used for future home rehabilitation activities). Fund repayments into an RLF account are considered program income and are subject to all CDBG and other regulatory compliance rules, including those established by the State. RLF accounts cannot be capitalized with grant funds. As long as a locality continues to use RLF funds for home rehabilitation, funds will remain with the locality. If, however, a locality no longer continues home rehabilitation activities with RLF funds, then the funds must be returned to DOA/DEHCR.

Wisconsin counties, cities, villages, and towns maintaining an active CDBG – RLF account may utilize up to fifteen percent (15%) of the sum of loan repayments and interest earned on the Working Account for administration of the CDBG – RLF program. Program administration funds drawn from the RLF account must be for expenditures associated with CDBG – RLF program management and **cannot** exceed the fifteen percent (15%) cap. Further clarifications on eligible and ineligible expenditures for program administration are as follows:

1. Office rent is an eligible expense ONLY if:
   a. All other departments pay office rent, or
   b. The CDBG – RLF office is located in a non-municipal building.

2. A per diem or salary may be paid to members of the CDBG – RLF committee **only** if all other such committees (e.g., public works committee, zoning committee, common council, etc.) receive a similar payment.

3. Equipment or computer software valued in excess of $2,000.00 may **not** be purchased without prior written approval from DOA/DEHCR.

4. The CDBG – RLF may be used to pay the salaries of municipal employees under the following conditions:
   a. CDBG – RLF may be used to pay for documented time spent managing the RLF by all hired or appointed employees **only** if accurate timesheets documenting hours worked are maintained **and** employee wages are comparable wages paid for comparable work in the area.

   b. Elected officials may be paid for time spent managing the RLF **only** if they request and receive a waiver of conflict of interest from DOA/DEHCR **prior** to performing the work for which they will be paid.

5. Refreshments and meals for meetings are **not** an eligible CDBG – RLF expense except when traveling on CDBG-related business.
6. Examples of other eligible administrative expenses include: fringe benefits; travel expenses; office supplies; consultant fees; inspection fees; and CDBG-related training.

CDBG – RLF MONITORING AND FILE MANAGEMENT

DOA/DEHCR may elect to monitor any locality maintaining a CDBG – RLF program for compliance with the requirements described in herein or stipulated in the monitoring worksheets attached in the appendix at the end of this chapter. When the CDBG – RLF program manager or other DOA/DEHCR representative visits a participating locality, the following requirements apply:

1. CDBG – RLF communities will be notified at least 30 days in advance of an upcoming monitoring visit. DOA/DEHCR monitoring personnel will never conduct a 'surprise' visit to CDBG – RLF communities.
2. CDBG – RLF communities will receive a letter from DOA/DEHCR personnel prior to a monitoring visit detailing the date and location of the monitoring as well as the documentation to be provided by the community.
3. DOA/DEHCR monitoring personnel will assess CDBG – RLF communities using the forms included in this chapter.
4. DOA/DEHCR monitoring personnel reserve the right to review any file or record that is associated with the CDBG program.
5. CDBG – RLF communities are required to provide an area in which at least two (2) people can work comfortably.
6. Have the necessary documentation ready, available, and accessible will ensure that monitoring visits proceed smoothly and quickly.

Grantees should have the following forms and documents ready for DOA/DEHCR monitoring inspectors:

1. Invoices, timesheets, and other documents needed to support CDBG payments;
2. All financial management forms – with current entries;
3. Individual project files – with documentation in an orderly fashion;
4. Housing Procedures Manual and minutes of meetings adopting amendments; and
5. Acquisition / Disposition Register.

L. FINANCIAL MANAGEMENT AND MONITORING-RLF PROGRAMS

OVERVIEW

CDBG funds are repaid to the community when the borrower sells the property, or the property ceases to be the borrower's primary place of residence. Loans to landlords are usually repaid on a monthly basis. When owner-occupied or tenant-occupied loans are repaid to the community, the funds are identified as CDBG- RLF funds.

Financial management and reporting of CDBG-RLF funds differ from open grant programs. As a result, DOA/DEHCR will monitor CDBG-RLF Grantees based on the content of this manual, and will provide technical assistance/program compliance training for all CDBG-RLF Grantees.

CDBG-RLF program administrators should also consult state and local statutory requirements, such as Wisconsin Open Meetings law, local housing and building ordinances in operating this program.

If a community is no longer interested in operating an existing CDBG-RLF program, a process is in place to return CDBG-RLF dollars to DOA/DEHCR and to re-assign the affected mortgages (see Discontinuation of RLF Housing Program Section).

CDBG-RLF COMPLIANCE ISSUES

When a homeowner repays a loan, the funds must be deposited into a CDBG-RLF Account Transactions Journal (*formerly called Working Account Transactions Journal during the active grant cycle*). The Grantee must be able to track repaid funds to and from recipients, identify and record interest earned on these funds, with this Transactions Journal.

When loans are repaid, the funds may either be reused by providing another loan to a homeowner or the funds must be repaid to DOA/DEHCR.

If the funds are reused to make additional homeowner loans, up to fifteen percent (15%) of loan repayments and any interest earned on the RLF Account Transactions Journal may be used for CDBG-RLF administration. The balance (usually eighty-five percent (85%) of repayments, interest) is available for homeowner loans.

Administrative Funds

As noted above, up to fifteen percent (15%) of loan repayments deposited into a revolving loan fund may be used to administer loans made from the revolving loan fund. However, fifteen percent (15%) **may not** be taken from funds deposited in the RLF if the deposited funds are from a loan reduction.

FINANCIAL RECORDS

The following financial records are used to track the activity of CDBG-RLF dollars:

1. RLF Rehabilitation Obligations Tracking Journal
2. RLF Accounting Journal
3. RLF Individual Project Journals

4. Project Loan Tracking Report/Loan Portfolio

If a community receives funds from selling property acquired during a previously-funded acquisition program, it may elect to keep the acquisition RLF separate from the housing RLF. A separate set of acquisition RLF records must be maintained, and those funds may only be used for additional, pre-approved (by DOA/DEHCR) acquisition activity.

The following section describes each of these CDBG-RLF financial tracking documents in detail, with the forms included in the forms section of the manual.

RLF Rehabilitation Obligation Tracking Journal

The Obligation Tracking Journal records loans awarded, award reductions and, how much CDBG-RLF monies remain available that may be loaned to LMI households. The purpose of this journal is to help program administrators from over-committing available funds.

RLF Accounting Transactions Journal

The RLF Accounting Transactions Journal tracks all RLF-related deposits (repaid loans, interest earned) and disbursements. It records payments made to contractors as well as payments made for program administration. The **Total Balance** column of this journal must reconcile with the program checkbook balance.

RLF Individual Project Journal

A separate record of all project activities specific to each loan must be maintained, enabling administrators to account for all funds paid out to each loan recipient. A copy of the RLF Individual Project Journal should be kept in each individual rehabilitation project file.

Project Loan Tracking Report/Loan Portfolio

This ledger includes a list of all loans that have been made by the Grantee, whether the loan is outstanding or paid off. This is an ongoing list of loans, dates, property address, and payment status.

Cash Donations

Cash donations to the rehabilitation program must be deposited in the CDBG-RLF Account, and recorded in the Rehabilitation Obligation Tracking Journal as well as the RLF Account Transactions Journal (under RLF project deposit). A copy of the check must be on file for documentation of Other Funds brought into the program.

Cash contributions for any non-rehabilitation purpose (e.g., down payment, site acquisition) must be paid directly to the individual project and documented with a copy of the check.

INDIRECT COSTS AND PROJECT DELIVERY COST (OR PROJECT RELATED SOFT COSTS)

Refer to Chapter H Financial Management and Monitoring-Active Grants.

REVOLVING LOAN FUND (RLF) COMPLIANCE REPORTING

Grantees must comply with all applicable **current** rules when making new loans using CDBG-RLF funds. This includes all environmental and Davis-Bacon requirements (if applicable). The Grantee must report use of funds to DOA/DEHCR and expect to be monitored by State personnel. DOA/DEHCR is required to gather and maintain information regarding all CDBG-RLF Program funds. This information is collected annually (in April) to comply with federal reporting requirements and to determine which programs, if any, may be in need of additional training/technical assistance across the state.

To gather this data, DOA/DEHCR provides an RLF Activity Report to all CDBG-RLF Grantees. Municipalities must complete and return the RLF Activities Report, supported by the following documents:

1. RLF Account Transactions Journal
2. Bank Statements

Failure to provide information may result in DOA/DEHCR taking additional enforcement measures to ensure compliance. This includes, but is not limited to, suspension of the local CDBG-RLF program.

DISCONTINUATION OF CDBG-RLF HOUSING PROGRAM

The RLF Grantee must send the following to the CDBG-Revolving Loan Fund Program Manager at the State of Wisconsin, DOA/DEHCR for approval:

1. A letter expressing the Grantee's desire to terminate its participation in the RLF program, signed by the Grantee's Chief Elected Official or his/her designated representative.
2. Minutes from a formal municipal or committee meeting approving the termination of administrating the RLF program.
3. The following updated documents:
   a. CDBG-RLF Accounting Transaction Journal
   b. Bank statement
   c. Project Loan Tracking Report / Loan Portfolio

Upon approval by DOA/DEHCR, the Grantee will be required to submit the following to the RLF Program Manager:

1. Account Closure:
   a. A check for the remaining balance of the CDBG-RLF funds, accompanied by the most recent checking account statement. The check must be made out to: DOA/DEHCR – CDBG-RLF Program;
   b. Proof of the closed CDBG-RLF account; and
   c. Final Annual RLF Account Activity Report.

2. File Management:
    a. The most current and accurate beneficiary data spread sheet, which includes a list of all outstanding loans with beneficiary name, property address, project loan number, the amount of the loan, mortgage signing date, existing loan balance and payment history, payoff date and payment arrangements. Along with identifying the client's race, disability status, senior citizen status, and female head of household status, income amount and classification, and lead-based paint activities.
    b. Verify that all of the properties remain owner-occupied by the original client served, and confirmation that all taxes and insurance are current.

M. EMERGENCY ASSISTANCE PROGRAM (EAP)

EMERGENCY ASSISTANCE PROGRAM OVERVIEW

The Wisconsin Department of Administration (DOA), Division of Energy, Housing and Community Resources (DEHCR), administers the federally funded Community Development Block Grant (CDBG) Housing Program. The State is responsible for distribution of Emergency Assistance Program (EAP) funds to Wisconsin Units of General Local Government (UGLGs) located in non-entitlement areas (i.e. outside of communities who receive an allocation of CDBG funds directly from the United States Department of Housing and Urban Development, (HUD). The UGLGs may be local communities, counties or regional program administrators.

PRECIPITATING DISASTER EVENT

EAP funds are linked directly to a natural or man-made disaster affecting Low – to Moderate – Income (LMI) households. Assistance may include, but is not limited to:

1. Housing rehabilitation
2. Acquisition / demolition / relocation
3. Housing replacement
4. Disaster mitigation activities

DIFFERENCES BETWEEN EAP AND CDBG-HOUSING

1. EAP funds are intended as grants (vs. loans) to LMI Households.
2. EAP project inspections are limited to the necessary repairs of disaster affected area (i.e. roof, windows, or furnace replacement). An HQS inspection of the total residence is not required for CDBG-EAP grants.

AVAILABILITY OF FUNDING

CDBG EAP funding is available to non-entitlement Units of Local Government throughout the State of Wisconsin. The maximum request is $500,000 (or an amount as determined by DEHCR necessary to address the disaster).

APPLYING FOR EAP ASSISTANCE

Affected communities have ninety (90) days from the date of the disaster event to submit an application to DOA/DEHCR. The EAP application (including instructions and forms) can be accessed on the DOA website via the following link: http://www.doa.state.wi.us/Divisions/Housing/Bureau-of-Affordable-Housing . Under the Community Development Block Grant – Emergency Assistance Program Section – select ***Application***.

MOBILE HOME GUIDELINES

CDBG-EAP funds may be used to rehabilitate mobile homes, **only** if the repairs do not exceed the pre-disaster assessed value.

CDBG-EAP funds may be used to replace a mobile home damaged as a result of a disaster using the following guidelines:

1. The value of the moderately-priced modular home, which is equal to or less than the square footage of the damaged mobile home, is established.
2. Any housing assistance (insurance settlement, FEMA, or public/private funds) received by the mobile home owner for disaster recovery purposes must be deducted from the housing replacement costs before receiving a CDBG-EAP grant.
3. The owner of the mobile home must use CDBG-EAP funds toward the purchase of permanent replacement housing (including another mobile home). In no case, will any funds be disbursed that exceed the actual cost of the replacement housing.

MOBILE – MANUFACTURED HOME REPLACEMENT

1. Grantee will be required to file a legal document (i.e. deed restriction or forgivable mortgage) with the County Clerk establishing a 5-year period of affordability (subject to review and approval by DEHCR staff).

2. Homeowner will be required to demonstrate ongoing proof of homeowner insurance for the entire 5-year period. Should a homeowner insurance policy lapse due to payment default, that individual household will be ineligible for additional EAP assistance during the remainder of the five-year forgivable mortgage period.

NOTE: *The above guidelines are not restricted to situations where the homeowner owns the property that the mobile-manufactured home is located.*

N. REPORTING AND CLOSEOUT

Accurate and timely reporting of accomplishments by each CDBG-Housing Program serves a variety of purposes. It demonstrates the progress of each program and alerts DOA/DEHCR to any potential difficulties in program implementation, including whether program funds are being spent in accordance with federal and state laws. Additionally, it provides DOA/DEHCR with the data required to complete mandatory program reporting to the federal government.

QUARTERLY REPORT

CDBG-Housing Grantees are required to provide DOA/DEHCR with progress reports every quarter throughout each calendar year a grant contract is in force. Besides reporting on individual beneficiaries of the housing program, the Quarterly Report also provides DOA/DEHCR and HUD with Minority Business Enterprise/Women Business Enterprise (MBE/WBE), Fair Housing and Section 3 data.

The Quarterly Report consists of:

1. Beneficiaries / Applicants Report
2. Accomplishments Report
3. Grant Account Transactions Journal
4. Working Account Transactions Journal
5. Beneficiary Data Sheet
6. MBE/WBE/Beneficiaries/Applicants Report
7. Fair Housing Actions
8. Section 3 Report

The Quarterly Report must be submitted to DOA/DEHCR within ten (10) working days after the end of each calendar quarter. Requests for disbursement of CDBG funds will **not** be processed after the 10-day period until DOA/DEHCR receives a correctly completed Quarterly Report.

The CDBG Housing Quarterly Reports MUST be submitted on the forms provided by DOA/DEHCR. No individuals designed substitutes for these documents will be accepted.

Beneficiaries / Applicants Report and Accomplishments Report

Beneficiaries / Applicants and Accomplishments Reports are two (2) documents which detail quarterly activity for each grant program. DOA/DEHCR will work with Grantees to provide individualized Report forms upon request. With the exception of Column 3 of the Accomplishments Report (total completed to date), all data provided on these two (2) forms are specific to the reporting period (calendar quarter) in question.

Copies of updated (current to the end of the calendar quarter) Grant Account and Working Account transaction journals – or Reimbursement Account Transactions Journal, if applicable – must accompany each Quarterly Report.

While a majority of documentation provided through the Quarterly Report is reporting-period (calendar quarter) specific, the Program Beneficiaries Data Sheet provides a running total of beneficiaries and related data through the performance period of the grant program.

Beneficiary data for each loan is recorded **after** the mortgage has been signed and recorded. If changes are made to a loan after it has been entered on the Program Beneficiaries Data Sheet, adjustments may be made as necessary.

Additional Required Reports

Three (3) additional reports are included with each Quarterly Report:

1. **MBE/WBE/Beneficiaries/Applicants Report** indicates whether any MBE/WBE contractors or subcontractors were contracted during the quarter.
2. **Section 3 Report** indicates whether any action was taken by the Grantee to promote employment of low-and moderate-income individuals during the quarter.
3. **Fair Housing Report** will include documentation of any Fair Housing activities addressed during the quarter.

CDBG-HOUSING PROGRAM CLOSEOUT REPORT

The final closeout report for each CDBG-Housing program – the Certificate of Completion and associated documentation – must be submitted to DOA/DEHCR no later than thirty (30) days after the close of the final contract quarter.

The Grantee will complete closeout activities when all costs to be paid for with CDBG funds have been incurred (except any unsettled third-party claims against the Grantee); and the Grantee has carried out all requirements under the CDBG contract.

DOA/DEHCR will process the closeout report and will issue a conditional closeout letter if additional information is needed. The conditional closeout letter may request submission of:

1. The single audits(s) – include satisfaction of all audit findings.
2. Documentation that all expenditures for unpaid costs and unsettled third party claims (line D.7 of closeout report) have been made.
3. Documentation that all of the funds in the working account, as of the end of the contract, have been disbursed.

DOA/DEHCR will issue a **final closeout** letter upon receipt of all necessary information and documentation.

If the Grantee has an undisbursed total balance of less than $5,000, the Grantee may retain all of the budgeted administrative funds. If the Grantee has an undisbursed total balance of $5,000 or greater, the Grantee may keep no more than fifteen percent (15%) of the total project funds disbursed, for administrative expenses.

RECORD RETENTION/DESTRUCTION

Under the uniform administrative requirements, Grantees are required to retain CDBG records for a period of not less than five (5) years after the fiscal year of their grant or three (3) years after the closeout of the grant from the State, whichever is longer. This includes:

1. Project files, including beneficiary data
2. Financial Management
3. Cross-cutting records

If a project is ongoing (ex. a loan is outstanding), the file must be retained until three (3) years after the payoff/satisfaction of the loan.

Example: A homeowner receives a rehabilitation loan in 2003 and the loan is deferred until sale. The sale occurs in 2015 and the loan is repaid. The file must be maintained until three (3) years after the sale or year 2018.

HUD, the Comptroller General, the State, or their authorized representatives have the right to access Grantee program records.

PREPARATION OF THE CDBG-HOUSING PROGRAM CLOSEOUT REPORT

Certification of Completion is the report of all financial activity that occurred during the grant period. The following outlines the information to be provided in each section of the completion report.

Sections A and B: Enter the name of the Grantee and the contract number as they appear on the CDBG contract.

Section C: In column 1 list all the budget activities as shown in the CDBG contract budget (H-1, H-2, etc.). In Column 2 list all of the budget amounts as shown in the contract budget (including contract amendments, if applicable). In Column 3 list all of the costs paid for by CDBG and revolving loan funds (include all disbursed funds).

Section D: Computation of Grant Balance:

1. Enter the total of CDBG funds drawn from the contract budget. Adjust for any funds drawn that were returned to DOA/DEHCR during the course of the contract.
2. Enter the total program income and revolving loan fund money received prior to the final request for project funds.
3. Enter the assessed trade-in value of equipment purchased for Grantee with CDBG funds IF that aggregate amount exceeds $2,000.
4. Enter the total of D.1, D.2, and D.3 to obtain total funds received.
5. Enter the amount of CDBG funds (including program income and revolving loan funds) spent during the contract period. This figure should agree with the total of column C.3.
6. Enter the amount of any unpaid costs and unsettled third-party claims. Examples: CDBG funds drawn but not paid out for the Single Audit; costs incurred PRIOR to the contract end date but not paid out during the contract period.
7. Enter the total of D.5 and D.6 to obtain total expenditures.
8. Enter the amount of the RLF Administrative dollars retained.
9. Subtract D.7 and D.8 from D.4. Enter this amount on D.9. If D.9 is $1,000 or less, it may be retained by the Grantee. If the amount is more than $1,000 but less than $5,000, use of the funds by the Grantee is subject to negotiations with DOA/DEHCR. Submit a letter with the closeout report describing its proposed use. If this amount is $5,000 or more, it must be returned to DOA/DEHCR.
10. Enter the total grant amount of the CDBG contract. This figure should agree with the total of column C.2.
11. Subtract D.1 from D.10 to obtain total funds not drawn down.

12. Add D.9 and D.11 to obtain grant funds to be cancelled. If D.9 is $1,000 or less, do not add it to D.11. If D.9 is between $1,000 and $5,000, contact DOA/DEHCR regarding disposition of these funds.

Section E: List any unpaid costs and unsettled third-party claims against the Grantee's program budget (equal to D.6). Describe the circumstances and amounts involved.

Section F: List the use of any program income and revolving loan funds earned during the period of this contract. Include only program income and revolving funds received prior to the final request for funds.

Section G: Attach copies of the final wage compliance reports for each prime contract that is subject to Davis-Bacon regulations.

Section H: Attach a response to any audit findings, if applicable.

Section I: Check boxes to document that all lobbying certification forms have been collected from contractors/sub-grantees requesting or receiving over $100,000.

Section J: Enter the date, the typed name of the Grantee's chief elected official and the chief elected official's signature.

TREATMENT OF CASH BALANCE

1. If the Grantee has a balance of unexpected funds on line D.9 of the Certificate of Completion, note the following:
    a. If the balance is $1,000 or less, the funds may be retained and used for eligible activities. Please explain their use in a footnote in the closeout report.
    b. If the balance is greater than $1,000 but less than $5,000, the fund retention may be negotiated with the DOA/DEHCR. Please discuss their proposed use with DOA/DEHCR and submit a letter with the closeout report describing their proposed use.
    c. If the balance is $5,000 or more, include a check for the total amount of the funds, payable to DOA/DEHCR with the closeout report.
2. If the Grantee has a balance of unexpended funds on line D.12 of the Certificate of Completion, not the following:
    a. If D.12 includes less than or equal to $5,000 in project funds, all administrative funds may be retained.
    b. If D.12 includes greater than $5,000 in project funds, the Grantee may retain up to fifteen percent (15%) of the amount spent on projects for administrative expenses.
    c. Should the Grantee have drawn in excess of fifteen percent (15%) of disbursed grant funds, the excess must be repaid to DOA/DEHCR.

SUMMARY OF CLOSEOUT

To close out a project, send the following original documents and keep a copy on file:

1. Form A, Certificate of Completion.
2. Grant Account Transaction Journal, current through the date of submission of the closeout report.
3. Working Account Transaction Journal, current through the date of submission of the closeout report.

4. Reimbursement Account Transaction Journal, if applicable, current through the date of submission of closeout report.
5. Cash balance retention letter or refund check, if appropriate.
6. Final Wage Compliance Report, if applicable.
7. Response to audit findings, if appropriate.

Mail documentation to:

CDBG Program Grant Specialist
101 E. Wilson St., 5th Floor
Department of Administration
Division of Energy, Housing and Community Resources
P.O. Box 7970
Madison, WI 53707-7970

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O. FORMS

APPLICATION FORMS

Homeowner Application
Homebuyer Application
Rental Unit Application
Tenant Eligibility Statement
Part 5 Income Calculation Form
Part 5 Income Calculation Examples
General Release of Information
Tenant's Release of Information
Verification of Employment
Verification of Retirement/Disability/Pension
Verification of Unemployment Compensation
Verification of Social Security Income
Verification of Ownership
General Information Notice – Residential Tenant That Will Not be Displaced
Notice of Eligibility
Notice of Ineligibility

INSPECTION

Housing Quality Standards Initial Inspection Form
Progress Inspections
Final Inspection Checklist

BIDDING AND CONTRACTING

Contractor's Application for Approval
Contractor Preference Form
Work Write-Up
Notice of Award
Notice of Rejection
Rehabilitation Contract
Notice to Proceed
Contractor's Payment Request
Change Order
Materials/Supplies Lien Waiver
Labor Lien Waiver

LOAN CLOSING

Required Lending Language
Lending Options
Homebuyer Loan Calculation
Homebuyer Education Checklist
Applicant's Authorization to Terms and Conditions of Loan
Truth-in-Lending Disclosure Statement
Notice of Right of Rescission
Insurance Notification
Borrower Labor Agreement
Commitment of Landlords to Rent to LMI Families
Assignment of Rents
Notice of Non-displacement to Residential Tenant
HUD 1A
GFE

GENERAL

Statutory Checklist for Housing
Initial Project Review Form -- Architectural/Historical Resources
Annual Tenant Verification
Lead-Based Paint Pamphlet Receipt Form
"Protect Your Family from Lead in Your Home"
Closeout Letter for Owner-Occupied Unit
Closeout Letter for Rental Unit
Affidavit of Partial Forgiveness of Debt
Notice of Recorded Mortgage
CDBG Rehabilitation Loan Review Form
Land Contract Consent
Request for Exception to Conflict of Interest Provision
Annual Tenant Eligibility Verification

CDBG FINANCIAL MANAGEMENT RECORDS AND FORMS

Depository Certification Instructions and Form
Signature Certification Instructions and Form
Request for Disbursement of CDBG Funds Instructions
CDBG Request for Payment (Example)
CDBG-Housing Program Disbursement (Example)
CDBG-Housing Program Disbursement Form
Grant Account Transactions Journal Instructions
Grant Account Transactions Journal (Example)
Grant Account Transactions Journal Form
CDBG-Housing Reimbursement Request Form (Example)
CDBG-Housing Reimbursement Request Form
Rehabilitation Obligation Tracking Journal (Example)
Rehabilitation Obligation Tracking Journal
Working Account Transactions Journal (Example)
Working Account Transactions Journal
Individual Obligation Form (Example)
Individual Obligation Form
Lead Based Paint Training Reimbursement Request Form
Commitment to Work

RLF ATTACHMENTS

Attachment 1 – RLF Rehabilitation Obligation Tracking Journal (Example)
Attachment 1 – RLF Rehabilitation Obligation Tracking Journal
Attachment 2 – RLF Accounting Journal (Example)
Attachment 2 – RLF Accounting Journal
Attachment 3 – Individual RLF Project Journal (Example)
Attachment 3 – Individual RLF Project Journal

REPORTING & CLOSEOUT FORMS

Certificate of Completion
Program Beneficiaries Data Sheet
Quarterly Report Instructions:
- Beneficiaries / Applicants Report
- Accomplishments Reports
- MBE/WBE Beneficiaries/Applicants Report
- Fair Housing
- Section 3 Report

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COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

HOMEOWNER APPLICATION

Date Received _____
(For Office Use Only)

Applicant Name(s) _____

Note: Please list names of all property owners as shown on deed or land contract. _____
_____
_____
_____

Telephone Number: _____/_____ (home) _____/_____ (work)

Residence Address: _____
(Street Address)

_____
(City/Village/Town) (State) (Zip Code)

Mailing Address:
(if different) _____
(Street Address)

_____
(City/Village/Town) (State) (Zip Code)

Age of Structure: _____

Total number of people living in the home (including Applicant): _____

Is there currently a mortgage, lien, land contract, or other debt against this property? Yes _____ No _____

If yes, please state below the type of debt, amount currently owed, and to whom it is owed. If there is more than one loan against the property, please list each one separately.

Type of Loan	Amount Owed	Lender Name

INCOME

Please list below all persons who live in your household. List the incomes of all persons 18 years of age or older. Income includes, but is not necessarily limited to, income from all gross wages, salaries, commissions; net income from self-employment, net income from the operation of real property; interest and dividend income; Social Security, SSI, pensions, AFDC, alimony, child support, and other benefit income.

If you are uncertain about including something as income, please list it below and the Division of Energy, Housing and Community Resources will advise you about it.

Name	Relationship to Applicant	Source of Income	Monthly Gross Income

Are you a United States Citizen or a Qualified Alien? YES ☐ NO ☐

CONFLICT OF INTEREST

Do you have family or business ties to any of the following people? If **yes,** disclose the nature of the relationship.

Names of covered persons	Relationship

No provision of a marital property agreement (including a Statutory Individual Property Agreement pursuant to Sec. 766.587, Wis. Stats.), unilateral statement classifying income from separate property under Sec. 766.59, or court decree under Sec. 766.70 adversely affects the creditor unless the creditor is furnished with a copy of the document prior to the credit transaction or has actual knowledge of its adverse provisions at the time the obligation is incurred.

I certify that the information in this application is correct and accurate to the best of my knowledge.

_____

Signature of Applicant Date

_____

Signature of Applicant Date

You are not required to answer the questions below. If you choose not to answer them, please check this box. ❑

Age of Applicant: _____

Racial/Ethnic Background, Check One:

___ White
___ Black/African American
___ Asian
___ American Indian/Alaskan Native
___ Native Hawaiian/Other Pacific Islander
___ American Indian/Alaskan Native & White
___ Asian & White
___ Black/African American & White
___ American Indian/Alaskan Native & Black/African American
___ Balance/Other

Hispanic: ___ Yes
___ No

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

HOMEBUYER APPLICATION

Date Received _____
(For Office Use Only)

Applicant(s) Name _____

Telephone Number: _____/_____ (home) _____/_____ (work)

Address: _____
(Street Address)

_____
(City/Village/Town) (State) (Zip Code)

Mailing Address:
(if different) _____
(Street Address)

_____
(City/Village/Town) (State) (Zip Code)

Total number of people living in the home (including Applicant): _____

INCOME

Please list below all persons who live in your household. List the incomes of all persons 18 years of age or older. Income includes, but is not necessarily limited to, income from all gross wages, salaries, commissions; net income from self-employment, net income from the operation of real property; interest and dividend income; Social Security, SSI, pensions, AFDC, alimony, child support, and other benefit income.

If you are uncertain about including something as income, please list it below and the Division of Energy, Housing and Community Resources will advise you about it.

Name	Relationship to Applicant	Source of Income	Monthly Gross Income

Have you found a house you wish to purchase?
_____ Yes. Address _____
_____ No

If No, what is the timeframe within which you would like to acquire a home? _____

Name of financial institution through which home would be financed? _____

Are you pre-approved for a loan?

_____ Yes. Amount: $_____

_____ No

Amount of money your household can contribute toward the downpayment on a home: $_____

Are you a United States Citizen or a Qualified Alien? YES ☐ NO ☐

CONFLICT OF INTEREST

Do you have family or business ties to any of the following people? If **yes,** disclose the nature of the relationship.

Names of covered persons	Relationship

No provision of a marital property agreement (including a Statutory Individual Property Agreement pursuant to Sec. 766.587, Wis. Stats.), unilateral statement classifying income from separate property under Sec. 766.59, or court decree under Sec. 766.70 adversely affects the creditor unless the creditor is furnished with a copy of the document prior to the credit transaction or has actual knowledge of its adverse provisions at the time the obligation is incurred.

I certify that the information in this application is correct and accurate to the best of my knowledge.

_____

Signature of Applicant Date

_____

Signature of Applicant Date

You are not required to answer the questions below. If you choose not to answer them, please check this box. ❑

Age of Applicant: _____

Racial/Ethnic Background, Check One:

___ White
___ Black/African American
___ Asian
___ American Indian/Alaskan Native
___ Native Hawaiian/Other Pacific Islander
___ American Indian/Alaskan Native & White
___ Asian & White
___ Black/African American & White
___ American Indian/Alaskan Native & Black/African American
___ Balance/Other

Hispanic: ___ Yes
___ No

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

RENTAL UNIT APPLICATION

Date Received _____
(For Office Use Only)

Landlord Name _____

Telephone Number: _____/_____ (home) _____/_____ (work)

Landlord Address: _____
(Street Address)

_____
(City/Village/Town) (State) (Zip Code)

Rental Unit Address: _____
(Street Address)

_____
(City/Village/Town) (State) (Zip Code)

Age of Structure: _____

(Rental Rehabilitation Applications must be completed for each building you wish to take a loan out on.)

APARTMENT INFORMATION

Apartment #	No. of People	No. of Bedrooms	Monthly Rent	Utilities Included (Yes/No)
1				
2				
3				
4				
5				
6				

REHABILITATION REQUEST

What areas of rehabilitation would you request to be done on your rental unit(s)? Check all that apply.

_____ Electrical
_____ Heating
_____ Insulation & Venting
_____ Plumbing
_____ General Carpentry
_____ Siding
_____ Masonry
_____ Gutters & Downspouts
_____ Chimney
_____ Flooring
_____ Interior/Exterior Painting & Drywalling
_____ Other _____

Do you have any pealing or chipping paint in the rental units? _____ Yes _____ No

HANDICAPPED ACCESS REQUEST

Are you requesting handicapped access work? _____ Yes _____ No

Explain: _____

_____

EQUITY INFORMATION

Is there currently a mortgage, lien, land contract, or other debt against this property? _____ Yes _____ No

If yes, please state below the type of debt, to whom it is owed, and amount currently owed. If there is more than one loan against the property, please list each one separately.

Type of Loan	Lender Name	Amount Owed

Are you a United States Citizen or a Qualified Alien? YES ☐ NO ☐

CONFLICT OF INTEREST

Do you have family or business ties to any of the following people? If **yes,** disclose the nature of the relationship.

Names of covered persons	Relationship

No provision of a marital property agreement (including a Statutory Individual Property Agreement pursuant to Sec. 766.587, Wis. Stats.), unilateral statement classifying income from separate property under Sec. 766.59, or court decree under Sec. 766.70 adversely affects the creditor unless the creditor is furnished with a copy of the document prior to the credit transaction or has actual knowledge of its adverse provisions at the time the obligation is incurred.

I certify that the information in this application is correct and accurate to the best of my knowledge.

_____ _____

Applicant Signature Date

_____ _____

Applicant Signature Date

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

TENANT ELIGIBILITY STATEMENT

Landlord: Name: _____

Address: _____

The above landlord of your apartment is applying for a rehabilitation loan which would improve the unit you now live in, at no additional cost to you as a tenant. Please provide the following information:

TENANT DATA

Tenant Name _____

Social Security Number _____ Age _____

Spouse/Tenant Name _____

Social Security Number _____ Age _____

Address: _____
(Street Address)

_____
(City/Village/Town) (State) (Zip Code)

Mailing Address: (if different) _____
(Street Address)

_____
(City/Village/Town) (State) (Zip Code)

Phone Number: _____/_____ (home) _____/_____ (work)

Total Number of People Living in the Home: _____

EMPLOYMENT AND INCOME INFORMATION:

List all people who reside in the household who are employed and over 18 years of age. Use gross monthly wages.

Name	Employer & Address	Monthly $

OTHER INCOME SOURCES:

Please list below all additional monthly income from household members including household head and spouse, and each additional person who is sharing the household that was not included on your last Income Tax Return.

Social Security:	$ _____	Pension:	$ _____
Alimony:	$ _____	Disability:	$ _____
Child Support:	$ _____	Interest:	$ _____
Public Assistance:	$ _____	Rent:	$ _____
Other (explain):	$ _____		

EXPENSES:

Child Support Payments: $_____

Regularly Reoccurring Medical Expenses: $_____

Are you a United States Citizen or a Qualified Alien? ☐ YES ☐ NO

AUTHORIZATION AND SIGNATURES:

I certify that the above information is true and correct. I authorize the CDBG Program and its agents to contact any source identified to confirm the above information is necessary.

I understand that, except as authorized in this paragraph, the CDBG Program will keep all information contained in this application strictly confidential and will not release it to any other party without my written authorization.

_____ _____

Tenant's Signature Date Tenant's Signature Date

OPTIONAL INFORMATION:

You are not required to answer the questions below. If you choose not to answer them, please check this box ☐.

Sex of Applicant: Male _____ Female _____

Marital Status of Applicant: _____

Race/Ethnic Background (check one):

___ White
___ Black/African American
___ Asian
___ American Indian/Alaskan Native
___ Native Hawaiian/Other Pacific Islander
___ American Indian/Alaskan Native & White
___ Asian & White
___ Black/African American & White
___ American Indian/Alaskan Native & Black/African American
___ Balance/Other

Hispanic: Yes _____ No _____

Are any members of this household impaired? Yes _____ No _____

If yes, are there any improvements that could be made to the home to make it more accessible?

Please list: _____

Photocopies of the following must be attached to this agreement:

_____ Copy of last year's income tax form. One for each working member of the family. Contact Administrator if you do not file income tax. Copies to verify other income sources will be required.

_____ A copy of all employed household members pay stubs for the last three months.

Return to Program Administrator, "Grantee".

PART 5 ANNUAL HOUSEHOLD INCOME CALCULATION FORM

1. Name:	2. Identification:

ASSETS

Household/Family Member	Asset Description	Current Cash Value of Assets	Actual Income from Assets
3. Net Cash Value of Assets		$_____	
4. Total Actual Income from Assets			$_____
5. If line 3 is greater than $5,000, multiply line by _____ (Passbook Rate) and enter results here; otherwise, leave blank			$_____

ANTICIPATED ANNUAL HOUSEHOLD INCOME

Household/ Family Member	Wages/ Salaries	Benefits/ Pensions	Public Assistance	Other Income	Asset Income
					Enter the greater of lines 4 or 5 from above in line 6 below. ⇩
6. Totals	a.	b.	c.	d.	e.
7. Enter total of values 6a – 6e to determine *Annual Household Income*					$_____

PART 5 ANNUAL HOUSEHOLD INCOME CALCULATION FORM (EXAMPLES)

<u>Example #1:</u> ***Four person household, 2 adults and 2 children under age 18.***

Assets include:

1. Non-interest bearing checking account with average 6-month balance of $1,500.
2. Interest bearing savings accounts with current balance of $2,614.78 earning 1% interest.
3. Retirement accounts with current balance of $20,000 and rate of return of 4%.

Sources of income:

1. John – salaried position at $32,500/year. Three months of pay information showing $1,250 bi-weekly pay. YTD gross pay from most recent paystub projected for full year to determine annual pay.
2. Mary – hourly position at $10/hour. Three months of pay information showing average of 30 hours per week.

1. Name: WINCHESTER		2. Identification: DRIVER'S LICENSE	
ASSETS			
Household/Family Member	Asset Description	Current Cash Value of Assets	Actual Income from Assets
John/Mary (joint)	Checking	$ 1,500.00	$ 0.00
John/Mary (joint)	Savings	$ 2,614.78	$ 34.78
John	Retirement	$ 20,000.00	$ 800.00
3. Net Cash Value of Assets		$ 24,114.78	
4. Total Actual Income from Assets			$ 834.78
5. Estimated Income from Assets [If line 3 is greater than $5,000, multiply line by 2% (Passbook Rate) and enter results here; otherwise, leave blank.]			$ 482.29

ANTICIPATED ANNUAL INCOME					
Household/ Family Member	Wages/ Salaries	Benefits/ Pensions	Public Assistance	Other Income	Asset Income
John	$32,500.00				Enter the greater of lines 4 or 5 from above in line 6 below. ⇩
Mary	$15,600.00				
6. Totals	a. $48,100.00	b.	c.	d.	e. $ 834.78*
7. Enter total of values 6a – 6e to determine *Annual Household Income*					$ 48,934.78

*The asset income used in the annual income calculation is $834.78, since the Actual Income from Assets is greater than the Estimated Income.

<u>Example #2:</u> ***One person household with no employment income.***

Assets include:

1. Non-interest bearing checking account with average 6-month balance of $2,000.
2. Interest bearing savings account with current balance of $2,000 earning 1% interest.

Sources of income:

1. Social Security $750/month.
2. Pension with current value of $100,000 with payments to household of $500/month.

1. Name: SINGER		2. Identification: DRIVER'S LICENSE	
ASSETS			
Household/Family Member	Asset Description	Current Cash Value of Assets	Actual Income from Assets
Robert	Checking	$ 2,000.00	$ 0.00
Robert	Savings	$ 2,000.00	$ 20.00
3. Net Cash Value of Assets		$ 4,000.00	
4. Total Actual Income from Assets			$ 20.00
5. Estimated Income from Assets [If line 3 is greater than $5,000, multiply line by 2% (Passbook Rate) and enter results here; otherwise, leave blank.]			

ANTICIPATED ANNUAL INCOME					
Household/ Family Member	Wages/ Salaries	Benefits/ Pensions	Public Assistance	Other Income	Asset Income
Robert				$ 9,000.00	Enter the greater of lines 4 or 5 from above in line 6 below. ⇩
Robert		$ 6,000.00			
6. Totals	a.	b. $ 6,000.00	c.	d. $ 9,000.00	e. $ 20.00
7. Enter total of values 6a – 6e to determine *Annual Household Income*					$ 15,020.00

Example #3:

- ***Tim and his 7-year-old son (who is there every other weekend).***
- ***Kristy and her 2 children (who are there full time) and she is pregnant.***

How many people are in this household? FOUR – do not include a child that is there less than 50% of the time and do not include unborn children.

Assets include:

1. Noninterest-bearing checking account with average 6-month balance of $1,000.

Sources of income:

1. Tim works full time at a school as a janitor when school is in session (39 weeks/yr.). He works the 3 summer months at the Parks Department (11 weeks/yr.). The household takes a 2 week vacation every summer after school is out. His hourly wage is $11/hr. at the school. He averages 25 hrs./week at the Parks Department, at $8.50/hr.
2. Tim pays child support of $200/month for his son.
3. Kristy is a waitress at a local bar and grill. She works 6 hrs./night, 5 nights/week at $5/hr. and earns an average of $40/night in tips.
4. Kristy receives child support for her 2 children at $450/month.
5. The household receives $60/week in food stamps.

1. Name: THOMAS		2. Identification: STATE ID	
ASSETS			
Household/Family Member	Asset Description	Current Cash Value of Assets	Actual Income from Assets
Tim/Kristy (joint)	Checking	$ 1,000.00	$ 0.00
3. Net Cash Value of Assets		$ 1,000.00	
4. Total Actual Income from Assets			$ 0.00
5. Estimated Income from Assets [If line 3 is greater than $5,000, multiply line by 2% (Passbook Rate) and enter results here; otherwise, leave blank.]			$ 0.00

ANTICIPATED ANNUAL INCOME					
Household/ Family Member	Wages/ Salaries	Benefits/ Pensions	Public Assistance	Other Income	Asset Income
Tim (School)	$17,160.00				Enter the greater of lines 4 or 5 from above in line 6 below. ⇩
Tim (Parks)	$ 2,337.50				
Kristy (Wages)	$ 7,800.00				
Kristy (Tips)				$10,400.00	
Child Support				$ 5,400.00	
6. Totals	a. $27,297.50	b.	c.	d. $15,800.00	e $ 0.00

7. Enter total of values 6a – 6e to determine *Annual Household Income*	$ 43,097.50

<u>Example #4:</u> ***Two adult person household, with second home.***

Assets include:

1. Interest bearing checking account with average 6-month balance of $3,400 earning 1.2% interest.
2. Mutual fund account with current balance of $15,000 and rate of return of 5.2%.
3. Cabin up North with fair market value of $34,000, no outstanding loans on property, average sales cost of 8%.

Sources of income:

1. Jim has a retirement account and received $530/month.
2. Betty receives social security of $293/month.
3. Betty is a substitute teacher and works on average 1 day/week for the 40 weeks school is in session. She earns $100/day.

1. Name: DAVIDSON		2. Identification: DRIVER'S LICENSE	
ASSETS			
Household/Family Member	Asset Description	Current Cash Value of Assets	Actual Income from Assets
Jim/Betty (joint)	Checking	$ 3,400.00	$ 40.80
Jim/Betty (joint)	Mutual Fund	$ 15,000.00	$ 780.00
Jim/Betty (joint)	Cabin up North	$ 31,280.00	$ 0.00
3. Net Cash Value of Assets		$ 49,680.00	
4. Total Actual Income from Assets			$ 820.80
5. Estimated Income from Assets [If line 3 is greater than $5,000, multiply line by 2% (Passbook Rate) and enter results here; otherwise, leave blank.]			$ 993.60

ANTICIPATED ANNUAL INCOME					
Household/ Family Member	Wages/ Salaries	Benefits/ Pensions	Public Assistance	Other Income	Asset Income
Jim				$6,360.00	Enter the greater of lines 4 or 5 from above in line 6 below. ⇩
Betty	$4,000.00			$3,516.00	
6. Totals	a. $4,000.00	b.	c.	d. $9,876.00	e $ 993.60
7. Enter total of values 6a – 6e to determine *Annual Household Income*					$ 14,869.60

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

GENERAL RELEASE OF INFORMATION

To Whom It May Concern:

I/We have applied for a loan and hereby authorize you to release to the Grantee the requested information listed below:

1. Previous and past employment history including employer, period employed, title of position, income, and hours worked.

2. Disability payments, social security, and pension funds.

3. Any information deemed necessary in connection with a consumer credit report or a real estate transaction.

This information will be for the confidential use of the Grantee in determining my/our eligibility for a mortgage loan or to confirm information I/we have supplied. Please complete the attached verification request.

A photo or fax copy of this document may be deemed to be the equivalent of the original and may be used as a duplicate original. The original signed release of information form will be kept on record with the Grantee.

_____	_____
Last, First, M.I.	Last, First, M.I.
_____	_____
Social Security #	Social Security #
_____	_____
Street Address	Street Address
_____	_____
City, State, Zip Code	City, State, Zip Code
_____	_____
Signature Date	Signature Date

NOTICE TO BORROWERS: This notice to you is required by the Right to Financial Privacy Act of 1978. The Department of Housing and Urban Development, Federal Housing Administration or Veterans Administration have a right of access to financial records held by financial institutions in connection with the consideration or administration of assistance to you. Financial

records involving your transaction will be available to HUD, FHA, or VA without further notice or authorization but will not be disclosed or released by this institution to another government agency without your consent except as required by law.

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

TENANT'S RELEASE OF INFORMATION

This is to certify that I/we have given my/our permission to the "Grantee" Community Development Block Grant (CDBG) Program to verify employment, sources of monthly income, and any additional required information. I understand that this information will be for the confidential use of the Grantee in reviewing the landlord's application for a rehabilitation loan.

Rental-Rehabilitation Property Address:
_____

Landlord's Name: _____

_____	_____
Tenant's Name	Tenant's Name
_____	_____
Tenant's Signature Date	Tenant's Signature Date

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

VERIFICATION OF EMPLOYMENT

Date:

To:

RE:

The applicant identified above has applied for a housing rehabilitation loan through the Grantee Community Development Block Grant Program. To be eligible for a loan under this program, an applicant's income may not exceed certain levels. Please provide the following information to verify the applicant's financial eligibility.

The information requested is for the confidential use of this agency and the Division of Energy, Housing and Community Resources. Below is the signature of the applicant authorizing us to obtain this information. Thank you for your cooperation.

Sincerely,

_____
Program Administrator

* * * * * * * * * * * *

Position: _____

Dates of Employment: _____

Current Hourly Rate: _____

Estimated Commission/Bonus: _____ Overtime: _____

You have my permission to release the above information.

_____ _____
Signature of Applicant Date

The above information is furnished in strict confidence, in response to your request.

_____ _____
Signature of Employer Date

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

VERIFICATION OF RETIREMENT OR DISABILITY PENSION

Date:

To:

RE: Loan Applicant:

Address:

The applicant identified above has applied for a housing rehabilitation loan through the Grantee Community Development Block Grant Program. To be eligible for a loan under this program, an applicant's income may not exceed certain levels. Please provide the following information to verify the applicant's financial eligibility.

The information requested is for the confidential use of this agency and the Division of Energy, Housing and Community Resources. Below is the signature of the applicant authorizing us to obtain this information. Thank you for your cooperation.

Sincerely,

_____
Program Administrator

* * * * * * * * * * * *

Type of monthly benefits: _____

Monthly amount: _____

You have my permission to release the above information.

_____ _____
Signature of Applicant Date

The above information is furnished in strict confidence, in response to your request.

_____ _____
Signature of Employer Date

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

VERIFICATION OF UNEMPLOYMENT COMPENSATION

Date:

To:

RE: Loan Applicant:

Address:

Social Security No.:

The applicant identified above has applied for a housing rehabilitation loan through the Grantee Community Development Block Grant Program. To be eligible for a loan under this program, an applicant's income may not exceed certain levels. Please provide the following information to verify the applicant's financial eligibility.

The information requested is for the confidential use of this agency and the Division of Energy, Housing and Community Resources. Below is the signature of the applicant authorizing us to obtain this information. Thank you for your cooperation.

Sincerely,

_____
Program Administrator

* * * * * * * * * * * *

Weekly Compensation Amount: _____

You have my permission to release the above information.

_____ _____
Signature of Applicant Date

The above information is furnished in strict confidence, in response to your request.

_____ _____
Signature of Unemployment Compensation Official Date

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

VERIFICATION OF SOCIAL SECURITY INCOME

Date:

To:

RE: Loan Applicant(s):

Address:

Social Security No.:

The applicant identified above has applied for a housing rehabilitation loan through the Grantee Community Development Block Grant Program. To be eligible for a loan under this program, an applicant's income may not exceed certain levels. Please provide the following information to verify the applicant's financial eligibility.

The information requested is for the confidential use of this agency and the Division of Energy, Housing and Community Resources. Below is the signature of the applicant authorizing us to obtain this information. Thank you for your cooperation.

Sincerely,

_____
Program Administrator

* * * * * * * * * * * *

Monthly Income Amount: _____

You have my permission to release the above information.

_____ _____
Signature of Applicant Date

The above information is furnished in strict confidence, in response to your request.

_____ _____
Signature of Social Security Official Date

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

OWNERSHIP VERIFICATION

Name: _____

Address: _____

Legal Description: _____

_____

_____

Type of Instrument Recorded: _____

Date Recorded: _____

Mortgages: _____ Date Recorded: _____

_____ _____

Clerk of Courts

Liens: _____

_____

Recording Dates: _____

Judgments: _____

_____

Recording Dates: _____

Ownership of the above property was verified by a member of the Community Development Staff from the Register of Deeds Office and from _____ County Clerk of Courts.

_____	_____	_____
Name	Title	Date

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

GENERAL INFORMATION NOTICE -- RESIDENTIAL TENANT
THAT WILL NOT BE DISPLACED

Date

Dear _____:

On __*(date)*__, ___*(property owner)*___ submitted an application to the _____*(Grantee)*_____ for financial assistance to rehabilitate the building which you occupy at _____*(address)*_____.

This notice is to inform you that, if the assistance is provided and the building is rehabilitated, you will not be displaced. Therefore, we urge you not to move anywhere at this time. (If you do elect to move for reasons of your choice, you will not be provided relocation assistance.)

If the application is approved and Federal assistance is provided for the rehabilitation, you will be able to lease and occupy your present apartment (or another suitable, decent, safe and sanitary apartment in the same building/complex) upon completion of the rehabilitation. Of course, you must comply with standard lease terms and conditions.

After the rehabilitation, your rent (including/not including monthly utility costs) will not exceed $_____ per month. If you must move temporarily so that the rehabilitation can be completed, suitable housing will be made available to you for the temporary period, and you will be reimbursed for all reasonable extra expenses, including all moving costs and any increase in housing costs.

Again, we urge you not to move. If the project is approved, you can be sure that we will make every effort to accommodate your needs. Because federal assistance would be involved, you would be protected by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended.

This letter is important and should be retained. You will be contacted soon. In the meantime, if you have any questions about our plans, please contact _____*(name)*_____, _____*(title)*_____, at __*(phone)*__, ____*(address)*____.

Sincerely,

_____
Program Administrator

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

NOTICE OF ELIGIBILITY

Date:

To:

RE:

Dear

Your application for a housing rehabilitation loan under the Community Development Block Grant Program has been reviewed and the financial information provided has been verified. Using pre-established criteria, we have determined that you are eligible for a housing rehabilitation loan.

Please contact this office by calling _____ to arrange a time for our inspector to visit your home to prepare a work write-up.

Sincerely,

_____
Program Administrator

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

NOTICE OF INELIGIBILITY

Date:

To:

RE:

Your application for a housing rehabilitation loan under the Community Development Block Grant Program has been reviewed and the financial information provided has been verified.

We regret to inform you that you do not qualify for a rehabilitation loan for the following reasons:

___ Household income limits _____

___ Housing repair needs _____

___ Inadequate equity _____

___ Lack of adequate ownership position _____

___ Other _____

All applications were ranked using identification numbers, rather than applicant's names, to ensure that all selections were fair and unbiased.

If you feel that this determination is based on inadequate or incorrect information or was improperly made, please call me at _____ . You may appeal this decision to the CDBG Housing Committee.

Thank you for your interest in this program.

Sincerely,

_____

Program Administrator

Client # _____

Housing Quality Standards (HQS) Inspection Form

A. General Information

Date of Inspection: _____

Address of Inspected Unit
Street: _____
City: _____ County: _____
State: _____ Zip: _____

Name of Family: _____

Current Address of Family
Street: _____
City: _____ County: _____
State: _____ Zip: _____
Current Telephone of Family: _____

B. How to Fill Out This Checklist

Proceed through the inspection as follows:

Area	**Checklist Category**
Room by Room	Living Room Kitchen Bathroom All Other Rooms Used for Living All Secondary Rooms Not Used for Living
Outside	6. Building Exterior
Basement or Utility Room	7. Heating and Plumbing
Overall	8. General Health and Safety

Each part of the checklist will be accompanied by an explanation of the item to be inspected. Important: For each item numbered on the checklist, check one box only (e.g., check one box only for item 1.4 "Security," in the Living Room).

In the space to the right of the description of the item, if the decision on the item is "Fail," write what repairs are necessary.

Also, if "Pass" but there are additional code items or items not consistent with rehabilitation standards or area codes, write these in the space to the right.

1. LIVING ROOM **For each item numbered, check one box only.**

Item #	Description	DECISION		Repairs Required
		Yes, PASS	No, FAIL	
1.1	**LIVING ROOM PRESENT** Is there a living room?			
1.2	**ELECTRICITY** Are there at least two working outlets or one working outlet and one working light fixture?			
1.3	**ELECTRICAL HAZARDS** Is the room free from electrical hazards?			
1.4	**SECURITY** Are all windows and doors that are accessible from the outside lockable?			
1.5	**WINDOW CONDITION** Is there at least one window, and are all windows free of signs of severe deterioration or missing or broken out panes?			
1.6	**CEILING CONDITION** Is the ceiling sound and free from hazardous defects?			
1.7	**WALL CONDITION** Are the walls sound and free from hazardous defects?			
1.8	**FLOOR CONDITION** Is the floor sound and free from hazardous defects?			
1.9	**LEAD PAINT** Are all interior surfaces either *free* of cracking, scaling, peeling, chipping, and loose paint or *adequately treated and covered* to prevent exposure of the occupants to lead based paint hazards?			
1.10	**WEATHER STRIPPING** Is weather stripping present and in good condition on all windows and exterior doors?			
1.11	**OTHER**			
1.12	**OTHER**			

2. KITCHEN

For each item numbered, check one box only.

Item #	Description	DECISION Yes, PASS	DECISION No, FAIL	Repairs Required
2.1	**KITCHEN AREA PRESENT** Is there a kitchen?			
2.2	**ELECTRICITY** Is there at least *one* working electric outlet and *one* working, permanently installed light fixture?			
2.3	**ELECTRICAL HAZARDS** Is the kitchen free from electrical hazards?			
2.4	**SECURITY** Are *all* windows and doors that are accessible from the outside lockable?			
2.5	**WINDOW CONDITION** Are all windows free of signs of deterioration or missing or broken out panes?			
2.6	**CEILING CONDITION** Is the ceiling sound and free from hazardous defects?			
2.7	**WALL CONDITION** Are the walls sound and free from hazardous defects?			
2.8	**FLOOR CONDITION** Is the floor sound and free from hazardous defects?			
2.9	**LEAD PAINT** Are all interior surfaces either *free* of cracking, scaling, peeling, chipping, and loose paint or *adequately treated and covered* to prevent exposure of the occupants to lead based paint hazards?			
2.10	**STOVE OR RANGE WITH OVEN** Is there a working oven and a stove (or range) with top burners that work?			
2.11	**REFRIGERATOR** Is there a refrigerator that works and maintains a temperature low enough so that food does not spoil over a reasonable period of time?			
2.12	**SINK** Is there a kitchen sink that works with hot and cold running water?			
2.13	**SPACE FOR STORAGE AND PREPARATION OF FOOD** Is there space to store and prepare food?			
	DECISION			

2. KITCHEN

For each item numbered, check one box only.

Item #	Description	DECISION		Repairs Required
		Yes, PASS	No, FAIL	

Item #	Description	Yes, PASS	No, FAIL	Repairs Required
3.1	**BATHROOM (see description)** Is there a bathroom?			
3.2	**ELECTRICITY** Is there at least *one* permanently installed light fixture?			
3.3	**ELECTRICAL HAZARDS** Is the bathroom free from electrical hazards?			
3.4	**SECURITY** Are *all* windows and doors that are accessible from the outside lockable?			
3.5	**WINDOW CONDITION** Are all windows free of signs of deterioration or missing or broken out panes?			
3.6	**CEILING CONDITION** Is the ceiling sound and free from hazardous defects?			
3.7	**WALL CONDITION** Are the walls sound and free from hazardous defects?			
3.8	**FLOOR CONDITION** Is the floor sound and free from hazardous defects?			
3.9	**LEAD PAINT** Are all interior surfaces either *free* of cracking, scaling, peeling, chipping, and loose paint, or *adequately treated and covered* to prevent exposure of the occupants to lead based paint hazards?			
3.10	**FLUSH TOILET IN ENCLOSED ROOM IN UNIT** Is there a working toilet in the unit for exclusive private use of the tenant?			
3.11	**FIXED WASH BASIN OR LAVATORY IN UNIT** Is there a working, permanently installed wash basin with hot and cold running water in the unit?			

2. KITCHEN **For each item numbered, check one box only.**

Item #	Description	DECISION Yes, PASS	DECISION No, FAIL	Repairs Required
3.12	**TUB OR SHOWER IN UNIT** Is there a working tub or shower with hot and cold running water in the unit?			
3.13	**VENTILATION** Are there operable windows or a working vent system?			

Notes: (Give Item #)

4. OTHER ROOMS USED FOR LIVING AND HALLS **For each item numbered, check one box only.**

Item #	Description	DECISION Yes, PASS	DECISION No, FAIL	Repairs Required
4.1	**ROOM CODE and ROOM LOCATION:** right/left _____ front/rear _____ floor level _____	ROOM CODES 1 = Bedroom or any other room used for sleeping (regardless of type of room) 2 = Dining Room, or Dining Area 3 = Second Living Room, Family Room, Den, Playroom, TV Room 4 = Entrance Halls, Corridors, Halls, staircase 5 = Additional Bathroom 6 = Other		
4.2	**ELECTRICITY** If Room Code = 1, are there at least two working outlets or one working outlet and one working, permanently installed light fixture? If Room Code does not = 1, is there a means of illumination?			
4.3	**ELECTRICAL HAZARDS** Is the room free from electrical hazards?			
4.4	**SECURITY** Are *all* windows and doors that are accessible from the outside lockable?			
4.5	**WINDOW CONDITION** If Room Code = 1, is there at least one window? And, regardless of Room Code, are all windows free of signs of severe deterioration or missing or broken out panes?			
4.6	**CEILING CONDITION** Is the ceiling sound and free from hazardous defects?			

4. OTHER ROOMS USED FOR LIVING AND HALLS **For each item numbered, check one box only.**

Item #	Description	DECISION		Repairs Required
		Yes, PASS	No, FAIL	
4.7	**WALL CONDITION** Are the walls sound and free from hazardous defects?			
4.8	**FLOOR CONDITION** Is the floor sound and free from hazardous defects?			
4.9	**LEAD PAINT** Are all interior surfaces either *free* of cracking, scaling, peeling, chipping, and loose paint, or *adequately treated and covered* to prevent exposure of the occupants to lead based paint hazards?			

Notes: (Give Item #)

5. ALL SECONDARY ROOMS NOT USED FOR LIVING **For each item numbered, check one box only.**

Item #	Description	DECISION		Repairs Required
		Yes, PASS	No, FAIL	
5.1	**NONE. GO TO PART 6**			
5.2	**SECURITY** Are *all* windows and doors that are accessible from the outside lockable in each room?			
5.3	**ELECTRICAL HAZARDS** Are all these rooms free from electrical hazards?			
5.4	**OTHER POTENTIALLY HAZARDOUS FEATURES IN ANY OF THESE ROOMS** Are all of these rooms free of any other potentially hazardous features? For each room with an			

5. ALL SECONDARY ROOMS NOT USED FOR LIVING **For each item numbered, check one box only.**

Item #	Description	DECISION		Repairs Required
		Yes, PASS	No, FAIL	
	"other potentially hazardous feature" explain hazard and means of control of interior access to room.			
5.5	**OTHER**			
5.6	**OTHER**			

Notes: (Give Item #)

6. BUILDING EXTERIOR **For each item numbered, check one box only.**

Item #	Description	DECISION		Repairs Required
		Yes, PASS	No, FAIL	
6.1	**CONDITION OF FOUNDATION** Is the foundation sound and free from hazards?			
6.2	**CONDITION OF STAIRS, RAILS, AND PORCHES** Are all the exterior stairs, rails and porches sound and free from hazards?			
6.3	**CONDITION OF ROOF AND GUTTERS** Are the roof, gutters and downspouts sound and free from hazards?			
6.4	**CONDITION OF EXTERIOR SURFACES** Are exterior surfaces sound and free from hazards?			
6.5	**CONDITION OF CHIMNEY** Is the chimney sound and free from hazards?			
6.6	**LEAD PAINT: EXTERIOR SURFACES** Are all exterior surfaces which are accessible to children under seven years of age *free* of cracking, scaling, peeling, chipping, and loose paint, or *adequately treated or covered* to prevent exposure of such			

6. BUILDING EXTERIOR **For each item numbered, check one box only.**

Item #	Description	DECISION Yes, PASS	DECISION No, FAIL	Repairs Required
	children to lead based paint hazards?			
6.7	**MOBILE HOMES: TIE DOWNS** If the unit is a mobile home, it is properly placed and tied down? If not a mobile home, check "Not Applicable."			
6.8	**MOBILE HOMES: SMOKE DETECTORS** If unit is a mobile home, does it have at least one smoke detector in working condition? If not a mobile home, check "Not Applicable."			
6.9	**CAULKING** Are all fixed joints including frames around doors and windows, areas around all holes for pipes, ducts, water faucets or electric conduits, and other areas, which may allow unwanted air flow appropriately caulked.			
6.10	**OTHER**			
6.11	**OTHER**			

Notes: (Give Item #)

7. HEATING, PLUMBING AND INSULATION **For each item numbered, check one box only.**

Item #	Description	DECISION		Repairs Required
		Yes, PASS	No, FAIL	
7.1	**ADEQUACY OF HEATING EQUIPMENT** a. Is the heating equipment capable of providing adequate heat (either directly or indirectly) to all rooms used for living? b. Is the heating equipment oversized by more than 15%? c. Are pipes and ducts located in unconditioned space insulated?			
7.2	**SAFETY OF HEATING EQUIPMENT** Is the unit free from unvented fuel burning space heaters, or any other types of unsafe heating conditions?			
7.3	**VENTILATION AND ADEQUACY OF COOLING** Does this unit have adequate ventilation and cooling by means of operable windows or a working cooling system?			
7.4	**HOT WATER HEATER** Is hot water heater located, equipped, and installed in a safe manner?			
7.5	**WATER SUPPLY** Is the unit served by an approvable public or private sanitary water supply?			
7.6	**PLUMBING** Is plumbing free from major leaks or corrosion that causes serious and persistent levels of rust or contamination of the drinking water?			
7.7	**SEWER CONNECTION** Is plumbing connected to an approvable public or private disposal system, and is it free from sewer back up?			
7.8	**INSULATION** Are the attic and walls appropriately insulated for regional conditions?			

7. HEATING, PLUMBING AND INSULATION **For each item numbered, check one box only.**

Item #	Description	DECISION		Repairs Required
		Yes, PASS	No, FAIL	
7.9	**OTHER**			
7.10	**OTHER**			

Notes: (Give Item #)

8. GENERAL HEALTH AND SAFETY **For each item numbered, check one box only.**

Item #	Description	DECISION		Repairs Required
		Yes, PASS	No, FAIL	
8.1	**ACCESS TO UNIT** Can the unit be entered without having to go through another unit?			
8.2	**EXITS** Is there an acceptable fire exit from this building that is not blocked?			
8.3	**EVIDENCE OF INFESTATION** Is the unit free from rats or severe infestation by mice or vermin?			
8.4	**GARBAGE AND DEBRIS** Is the unit free from heavy accumulation of garbage or debris inside and outside?			
8.5	**REFUSE DISPOSAL** Are there adequate covered facilities for temporary storage and disposal of food wastes, and are they approved by a local agency?			
8.6	**INTERIOR STAIRS AND COMMON HALLS** Are interior stairs and common halls free from hazards to the occupant because of loose, broken or missing steps on stairways, absent or insecure railings; inadequate lighting, or other hazards?			
8.7	**OTHER INTERIOR HAZARDS** Is the interior of the unit free from any other hazards not specifically identified previously?			

8. GENERAL HEALTH AND SAFETY **For each item numbered, check one box only.**

Item #	Description	DECISION		Repairs Required
		Yes, PASS	No, FAIL	
8.8	**ELEVATORS** Where local practice requires, do all elevators have a current inspection certificate? If local practice does not require this, are they working and safe?			
8.9	**INTERIOR AIR QUALITY** Is the unit free from abnormally high levels of air pollution from vehicular exhaust, sewer gas, fuel gas, dust, or other pollutants?			
8.10	**SITE AND NEIGHBORHOOD CONDITIONS** Are the site and immediate neighborhood free from conditions, which would seriously and continuously endanger the health or safety of the residents?			
8.11	**LEAD PAINT: OWNER CERTIFICATION** If the owner of the unit is required to treat or cover any interior or exterior surfaces, has the certification of compliance been obtained? If the owner was not required to treat surfaces, check "Not Applicable."			
8.12	**OTHER**			
8.13	**OTHER**			

Notes: (Give Item #)

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

PROGRESS INSPECTIONS

Applicant: _____

Address: _____ Application Number: _____

Contractor: _____

Job Starting Date: _____

PERIODIC REHABILITATION INSPECTIONS

Date: _____ Inspector: _____

Remarks: _____

_____

_____

_____

_____ % Complete: _____

Date: _____ Inspector: _____

Remarks: _____

_____

_____

_____

_____ % Complete: _____

Date: _____ Inspector: _____

Remarks: _____

_____

_____

_____ % Complete: _____

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

FINAL INSPECTION CHECKLIST

Application Number: _____ Date of Inspection: _____

Applicant: _____

Address: _____

Contractors:

1. _____ Final Lien Waiver Rec'd: _____

Contract Award: _____ Final Amount: _____

2. _____ Final Lien Waiver Rec'd: _____

Contract Award: _____ Final Amount: _____

3. _____ Final Lien Waiver Rec'd: _____

Contract Award: _____ Final Amount: _____

Work Completed:

_____ See attached checklist of project specifications.
_____ Property has been checked for lead paint hazards.
_____ Smoke detectors are installed on each floor of the home.
_____ Change orders, if necessary are signed.
Reason for change orders: _____

_____

_____

Unit meets Section 8 Housing Quality Standards: _____ Yes _____ No

This inspection finds construction work completed in accordance with the construction contract.

_____ Date: _____

Photo Taken: _____ Date: _____

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

CONTRACTOR'S APPLICATION FOR APPROVAL

All information received will be considered confidential. If you have any questions concerning this rehabilitation program, please call the office at _____. (TYPE OR PRINT)

Federal I.D. Number or Social Security Number: _____

Company Name: _____ Phone: _____

Company Address: _____

Officers Authorized to Execute Documents: _____

How Long in Business: _____ Are you Bondable? _____ At What Rate: ___

Insurance Company: _____

How Much Insurance Carried: _____ Type: _____

Character of Work Performed By Your Firm: _____

Have You Ever Failed to Complete Any Work Awarded to You? Yes _____ No _____

If so, Where and Why: _____

Have You Ever Failed to Complete Within Contracted Time Limits Work Awarded to You?
Yes _____ No _____ If so, Why? _____

List Work References, Addresses and Phone Numbers (list most recent, including present jobs):

_____
_____
_____

List Business References (Banks, etc.), Addresses and Phone Numbers:

_____
_____
_____

List Suppliers, Addresses and Phone Numbers:

_____
_____
_____

Is at least 51% of the company owned by a minority or female? Yes _____ No _____

_____ _____
Signature of Contractor Date

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

CONTRACTOR PREFERENCE FORM

Date:

To: Program Administrator

I, _____, have freely chosen the contractors listed below to submit a bid for rehabilitation work to be done on my property located at: _____. I understand that when it is practical, I will receive at least three bids from contractors within the County of _____.

Contractor/Contractor's Address: _____

_____

Contractor/Contractor's Address: _____

_____

Contractor/Contractor's Address: _____

_____

Further, I understand that I have the right to reject any and all bids and it is my responsibility to select contractors for the rehabilitation work to be done on my property stated above.

I have been advised of the intended work to be done on my property and I have reviewed the specifications and they meet with my approval.

Further, I agree that there will be no changes in the specifications unless they are in writing and agreed to by the Program Administrator, contractor and myself.

_____

Property Owner

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

WORK WRITE-UP

Project No.: _____ Date: _____

Owner: _____

Project Address: _____

Contractor: _____

ITEM	DESCRIPTION OF WORK	COST
TOTAL Lead-Based Paint Cost _____	TOTAL COST	_____

_____ _____
Contractor Date

_____ _____
Owner Date

_____ _____
Program Administrator Date

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

NOTICE OF AWARD

Date:

To:

RE:

Dear

You are hereby advised that the contract for the above-referenced project has been awarded to your firm. Please sign the enclosed contract and return it to this office for further processing. Following execution by the Grantee and homeowner, a fully executed copy will be returned to you for your files.

Work may begin on this project only after you have been issued a written Notice to Proceed.

Sincerely,

_____

Program Administrator

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

NOTICE OF REJECTION

Date:

To:

RE:

Dear

You are hereby advised that the contract for the above-referenced project was not awarded to your firm. Your efforts were appreciated, however, and we hope you will continue to bid on future rehabilitation projects funded through this program.

Sincerely,

_____

Program Administrator

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

REHABILITATION CONTRACT

Property Owner(s): _____ Project #:_____

Property Address: _____

Contractor: _____

The undersigned contractor shall furnish labor, equipment, supplies and materials required for proper execution and completion of the contract work in accordance with the attached specifications for the sum of $_____.

The following are attached to and hereby made part of this contract:

- ATTACHMENT A: Contractor proposal and quote;
- ATTACHMENT B: General Conditions;
- ATTACHMENT C: Bid specifications and/or drawings for project at the above address.

MATERIALS AND WORKMANSHIP: All materials are guaranteed to be as specified in the bid specifications. No lead-based paint shall be used. Any alteration or deviation from the attached specifications will be executed only upon written consent of the property owner, contractor, and the CDBG Office. All work will be completed in a professional manner according to standard construction practices. The contractor, in all cases, shall leave the work in a finished condition as determined acceptable by the CDBG Program Building Inspector. All agreements are contingent upon strikes, accidents, or acts of God.

GENERAL GUARANTEE. The contractor shall remedy any defect due to faulty material or workmanship and pay for any damage to other work resulting therefrom which appears within the period of one year from the date of final payment of all work required by the contract. This includes completing any items listed on the specs that may have been missed during the rehabilitation and inspection process that are discovered within one year.

PAYMENTS: Payments shall be made to contractor as specified in the General Conditions. No extra costs will be paid when the contractor has neglected to properly evaluate the extent of the rehabilitation work.

INSURANCE: The owner shall carry fire, extended coverage and all other necessary insurance. The contractor shall carry comprehensive liability insurance as specified in the General Conditions. Contractor's workers shall be covered fully by Workmen's Compensation Insurance.

CONTRACT TERMINATION: Owner may terminate contract for poor work performance and inability of contractor to correct; inability of contractor to perform work within allotted time. Contractor may request to be removed from contract without penalty within 30 days of receiving Notice to Proceed. Contract may be terminated based on irreconcilable differences. Contract will be terminated if contractor has been debarred, or is otherwise ineligible to work on federal contracts.

No work shall commence by the contractor until a written *Notice to Proceed* is received.

The Owner and Contractor hereby agree to the conditions set forth above and Attachments A through C which are attached and made part of this contract.

_____ _____
Contractor Date

_____ _____
Owner Date

_____ _____
Owner Date

ATTACHMENT B

GENERAL CONDITIONS

1. REHABILITATION LOAN. The Block Grant Program shall pay for the work listed in the Itemized Work Specifications (Specs) by means of a rehabilitation loan from the Grantee to the property owner, payable through the Block Grant Program.

2. ADMINISTRATOR'S EXCLUSION. No member of the governing body of the locality and no other official, employee, or agent of the municipal government who exercises policy, decision-making functions or responsibilities in connection with the planning and implementation of the Block Grant Program shall have any interest, direct or indirect, in this contract.

3. PROVISIONS FOR OWNER. The owner shall permit the contractor to use, at no cost, existing utilities, such as light, heat, power and water, necessary to carry out and complete the work. Further, the owner shall cooperate with the contractor to facilitate the performance of the work, including the removal and replacement of rugs, coverings, and furniture, as necessary. The premises are to be occupied during the course of the construction work.

4. INSURANCE. Before commencing work, the contractor shall furnish the Block Grant Program with certificates showing evidence of comprehensive public liability insurance coverage protecting the owner for not less than ONE HUNDRED THOUSAND/THREE HUNDRED THOUSAND DOLLARS ($100,000/$300,000) in the event of bodily injury including death and ONE HUNDRED THOUSAND DOLLARS ($100,000) in the event of property damage arising out of work performed by the contractor, and if applicable, show proof of his participation under Workman's Compensation Laws of the State of Wisconsin. The owner will carry fire extended coverage and other necessary insurance.

5. SUBCONTRACTORS AND ASSIGNMENTS. No subcontract or assignment of this contract shall be made without the written consent of the owner and the Block Grant Program.

6. SPECIAL CONDITIONS, SUBSTITUTIONS AND ADDITIONAL ITEMS. Any special conditions found and noted by the contractor during the initial examination of the property or during work which may require special work deviating from the Itemized Work Specifications, must receive approval in writing by the Block Grant Program and the owner before being carried out. No substitutions or alternatives for any part of this contract shall be accepted unless approved in writing by the Block Grant Program. Methods and types of construction for any such alternatives shall be submitted in drawings and/or specifications, prepared by the contractor, as part of the bid packet. The contractor shall notify the Block Grant Program of any obvious violations of applicable codes or omissions, which are not listed before the proposal is submitted.

7. COMMENCING AND COMPLETE WORK. The contractor shall commence work within 15 days after the Order to Proceed is issued and shall proceed with diligence to complete the work within 60 days thereafter. No work shall commence by the contractor until the contract is signed and a Notice to Proceed is issued. Contract extensions may be granted upon request and must be approved by the Block Grant Program and the owner.

8. CODES, PERMITS AND INSPECTIONS. All materials and work shall comply with applicable codes and regulations of Grantee, including the local and state building codes, housing codes, zoning ordinance, state and local plumbing codes, heating codes, National Electric Code, floodplain ordinance, and property rehabilitation standards, whether or not covered by the Itemized Work Specifications. The contractor shall secure at his own expense all necessary permits prior to the start of work. The contractor shall call the appropriate inspector when ready for any required inspections and shall secure approval by the appropriate inspector, including taking action to comply with any notice or orders issued by the inspector. The contractor shall permit representatives of the Department of Housing and Urban Development (HUD), State of Wisconsin, and Grantee to inspect all work under this contract.

9. PAYMENTS. The contractor shall be paid the contract price in one lump sum amount after the work is satisfactorily completed for contracts less than $2,000. Contracts greater than $2,000 shall be paid in a maximum of three lump sum payments. Progress payment requests shall be accompanied by a bill showing the amount of work completed and a lien waiver in the same amount. Up to 90% of work completed will be paid under a progress payment, with the balance due under the final payment. Work shall be inspected and approved by the Block Grant Program before any payments will be made. Progress payments are made at the discretion of the Administrator and the Inspector of the Block Grant Program. If disputes arise concerning payments for contract work, final determination will be made by the Grantee CDBG Housing Committee and the contractor agrees to abide by that decision.

10. LIEN WAIVERS. The contractor shall protect, defend and indemnify the owner from any claims for unpaid work, labor or materials. Payment shall not be due until the contractor has delivered to the Block Grant Program complete release of all liens arising out of this contract, or receipts in full covering all labor and materials for which a lien could be filed, or a bond satisfactory to the owner indemnifying him against any lien, all to the satisfaction of the Block Grant Program.

11. HOLD HARMLESS. The contractor shall defend, indemnify and hold harmless the owner and the Grantee Block Grant Program, its officers, commissioners and employees from liability and claim for damages because of bodily injury, death, property damage, sickness, disease or loss and expense arising from the contractor's operations under this contract.

12. CONDITION OF PREMISES AND EXCESS MATERIALS. The contractor shall keep the premises clean and orderly during the course of the work and at the completion of the work shall remove all debris, except materials that have been removed and replaced as part of the work that the owner wishes to keep. All excess new materials shall belong to the contractor, except that the owner shall have the right to keep small quantities for "touch-up" or other small repairs.

13. GENERAL REHABILITATION SPECIFICATIONS FOR PAINTING. All painting products shall be standard nationally-known brands of "best grade" first-line quality. No lead-based paint shall be used. The owner shall select paint colors only. All paint shall be delivered to the job site in unopened labeled containers. All painting products shall be applied in strict accordance with manufacturer's recommendations and specifications. Interior and exterior surfaces shall be prepared by scraping loose paint, pointing up all cracks and holes, patching plaster surfaces on interior work, removing nails, hooks, fasteners, etc., and sanding smooth. All joints in exterior trim, siding and frames shall be caulked before painting. The painting of a room shall include all ceilings, walls, base, window and door trim, interiors and exteriors of all closets, and both sides and edges of doors. All surfaces, including floors, walls, ceilings, trim, doors and windows shall be cleaned and excessive paint removed from same upon completion of painting work. When the house was built before 1978, all painted surfaces are to be treated as if they contain lead-based paint, with the proper precautions to be taken when completing rehabilitation work and clean up. Reasonable care shall be exercised in moving ladders and scaffolding about the dwelling to avoid damage to shrubbery and premises.

14. EQUAL OPPORTUNITY. The owner, contractor, subcontractor, and Grantee shall comply with all requirements of Section 503 of the Rehabilitation Act of 1973. The requirements prohibit discrimination against any employee or applicant for employment because of physical or mental handicap. All requirements with respect to Section 109 of the Housing and Community Development Act of 1974 shall be complied with. These requirements state that no person shall, on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or part with funds made available for Community Development Block Grant Housing Rehabilitation projects.

15. ADDITIONAL PROVISIONS. The contractor shall be required to:

    a. Minimize inconvenience to the owner and occupants. At least one toilet and sink with hot and cold running water shall be connected at the end of each workday. Arrangements shall be made to provide temporary heat to the structure whenever a furnace is disconnected for more than 12 hours when the outside temperature is below 40° F.

b. Work only during normal work hours (weekdays 7:30 a.m. to 6:30 p.m.) unless authorized by the owner.

c. Take reasonable precautions to protect the structure and its contents from weather damage during the course of the work.

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

NOTICE TO PROCEED

Date:

To:

Re:

You are hereby notified to commence work on the above-referenced project. Work is to begin on or before _____. It is expected the contracted work will be completed within _____ days. Notify the CDBG office immediately with any change in schedule.

_____		_____	
Property Owner	Date	Program Administrator	Date

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

CONTRACTOR'S PAYMENT REQUEST NO. _____

Project No.: _____ Date: _____

Owner: _____

Project Address: _____

Contractor: _____

CONTRACT SUMMARY

Original Contract Amount _____

Change Order Addition _____

Change Order Deduction _____

Net Change by Change Orders _____

Net Revised Contract Amount _____

THIS REQUEST

Completed to Date _____

Less Amount Retained (10%) _____

Less Previous Balance _____

Amount Due This Request _____

I hereby certify that the data reported above is correct, rehabilitation work has been performed in a satisfactory manner and in full compliance with the contract, and the amount requested is justified by the work which has been completed.

_____ _____
Contractor Date

_____ _____
Owner Date

_____ _____
Program Administrator Date

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

CONTRACTOR'S PAYMENT REQUEST NO. _____

Project No.: _____ Date: _____

Owner: _____

Project Address: _____

Contractor: _____

CONTRACT SUMMARY

Original Contract Amount _____

Change Order Addition _____

Change Order Deduction _____

Net Change by Change Orders _____

Net Revised Contract Amount _____

THIS REQUEST

Completed to Date _____

Less Amount Retained (10%) _____

Less Previous Balance _____

Amount Due This Request _____

I hereby certify that the data reported above is correct, rehabilitation work has been performed in a satisfactory manner and in full compliance with the contract. The amount requested is justified by the work which has been completed. I hereby authorize the _____ to disburse, on my behalf, CDBG funds directly to the contractor contributing services or materials for the approved improvements.

_____ _____

Contractor Date

_____ _____

Owner Date

_____ _____

Program Administrator Date

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

CHANGE ORDER NO. _____

Project No.: _____ Date: _____

Owner: _____

Project Address: _____

Contractor: _____

Change Ordered:

Reason for Change Order:

CONTRACT AMOUNT

Original Contract Amount _____

Previous Change Orders _____

Change Order Addition _____

Change Order Deduction _____

Revised Contract Amount _____

This document shall become an amendment to the Contract and all stipulations and covenants of the Contract shall apply hereto.

_____ _____
Contractor Date

_____ _____
Owner Date

_____ _____
Program Administrator Date

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

MATERIALS/SUPPLIES LIEN WAIVER

For value received, I hereby waive my rights and claims for lien on land, buildings or appurtenances altered or repaired or constructed for _____ _____, Owner; _____ _____ Contractor, the property situated in Noah County, State of Wisconsin, and located at: _____ _____ for all materials furnished for the construction, alteration or repair of said building and appurtenances to date.

_____
Name of Supplier

_____
Signature of Supplier Date

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

LABOR LIEN WAIVER

For value received, I hereby waive my rights and claims for lien on land and on buildings or appurtenances altered or repaired or constructed, for _____, owner, by _____, Contractor, the property situated in _____ County, State of Wisconsin, and located at: _____ for all labor performed and for all material furnished for the construction, alteration or repair of said building and appurtenances to date.

_____
Name of Firm

_____
Contractor/Subcontractor Signature Date

REQUIRED LENDING LANGUAGE

For all loans made in whole or part with CDBG funds, certain specific language must be included in particular loan documents. Review all CDBG loan documents to be sure that the following language requirements have been met.

APPLICATION

All applications must include:

- The marital agreement notice.

> "No provision of a marital property agreement (including a Statutory Individual Property Agreement pursuant to Sec. 766.587, Wis. Stats.), unilateral statement classifying income from separate property under Sec 766.59, or court decree under Sec. 766.70 adversely affects the creditor unless the creditor is furnished with a copy of the document prior to the credit transaction or has actual knowledge of its adverse provisions at the time the obligation is incurred."

and

- The verification of U.S. Citizenship or qualified alien status. HUD has asked that we use the terms, Qualified and Non-qualified Alien, as much as possible. Those are the terms used by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), also known as the Welfare Reform Act. The PRWORA prohibits the provision of federal public benefits to a non-qualified alien as defined by section 431. It is HUD's opinion that CDBG and HOME assistance in the form of loans, downpayment and closing cost assistance qualify as federal public benefits under PRWORA. This means that we cannot use CDBG or HOME funds to provide assistance to a non-qualified alien.

In order to show compliance with PRWORA, HUD Milwaukee and the state Division of Housing are asking that you add the following question to your application form(s):

> "Are you a United States Citizen or a Qualified Alien? ☐ YES ☐ NO "

The question <u>must</u> be answered but HUD does not require that we verify or document the answer. For background information, we have attached the definition of Qualified aliens, as defined in §431 of PRWORA, amended.

SPOUSES

If an applicant for CDBG funds receives a loan, and is the sole signer of the loan documents, the borrower's spouse MUST receive written notice of the loan transaction. Send to the non-applicant spouse:

1. A copy of the document evidencing the obligation to pay.

2. A copy of the credit disclosures given to the applicant; OR

3. A brief description of the nature of the credit extended.

This "tattle-tale" notice must be sent <u>before</u> the work on the unit begins.

MORTGAGE NOTES

All notes which are used to secure a mortgage must contain the following language:

> I am ___ married ____ unmarried ____ legally separated. If I am married and my spouse is not signing below, the name of my spouse is_____ and my spouse resides at_____
>
> If I am a married Wisconsin resident, the obligation evidenced by this Note is being incurred in the interest of my marriage or family.

SECOND MORTGAGE NOTES

All notes which are used to secure a second mortgage must contain the following language:

NOTICE TO CUSTOMER

(a) DO NOT SIGN THIS BEFORE YOU READ THE WRITING ON THE REVERSE SIDE, EVEN IF OTHERWISE ADVISED.

(b) DO NOT SIGN THIS IF IT CONTAINS ANY BLANK SPACES.

(c) YOU ARE ENTITLED TO AN EXACT COPY OF ANY AGREEMENT YOU SIGN.

(d) YOU HAVE THE RIGHT AT ANY TIME TO PAY IN ADVANCE THE UNPAID BALANCE DUE UNDER THIS NOTE AND YOU MAY BE ENTITLED TO A PARTIAL REFUND OF FINANCE CHARGE.

TRUTH-IN-LENDING

All Truth-In-Lending statements must include the following language:

ANNUAL PERCENTAGE RATE:_____
(The cost of my credit as a yearly rate)

FINANCE CHARGE: _____
(The dollar amount the credit will cost me)

AMOUNT FINANCED:_____
(The amount of credit provided to me or on my behalf)

TOTAL OF PAYMENTS:_____
(The amount I will have paid after I have made all payments as scheduled)

LENDING OPTIONS
(For landlords and developers)

Repayment of installment rehabilitation loans must begin within sixty (60) days of the initiation of the rehabilitation. Loans to landlords and/or developers must be repaid in monthly or quarterly installments.

1. RE: ALL LOANS FOR RENTER-OCCUPIED UNITS

   Property owner must guarantee LMI occupancy for 5 years, or the term of the CDBG loan, whichever is less.

   Maximum deferral period (for financed loans) for the CDBG repayment = twice the number of years the unit is guaranteed to be rented to LMIs. For example, if the CDBG repayment is deferred for 12 years, the unit must be rented to LMIs for at least 6 years.

   The length of time given for repayment of the CDBG funds is left to the Grantee's discretion.

2. GRANTS should be an incidental part of a housing rehabilitation program.

   Grants for housing rehabilitation should be included as a separate activity in a CDBG Housing and Neighborhood Revitalization application only for "public facilities" type activities (e.g., program area lateral replacement or well replacement).

   Grants are permitted ONLY when no more than $1,000 will be awarded to the LMI owner-occupant during a 12-month period.
   Grants are permitted for LMI owner-occupants only.

3. SITE IMPROVEMENTS

   The cost of the CDBG-financed site acquisition (land only) and site improvements must be passed along to the project developer at terms consistent with DEHCR's "LENDING OPTIONS". The cost of any structures on the site, and their demolition, may be passed along to the project developer or absorbed by the Grantee, at the Grantee's option.

4. NON-PROFIT AGENCIES

   Grant for housing development projects will be permitted only when the project developer is a public agency or a private non-profit agency which will pass along project ownership to the LMI occupants. The CDBG projects will then be financed as a deferred payment loan.

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

HOMEBUYER LOAN CALCULATION

Applicant Name: _____

Mailing Address: _____

Phone: _____

_____ Home passes HQS

_____ Repairs required to pass HQS: _____

Purchase price of home $ _____

Total required downpayment $ _____

Mortgage amount $ _____

	Amount Paid by CDBG	Amount Paid by Owner	Amount Paid by Others
Downpayment*	$ _____	$ _____	$ _____
Closing costs	$ _____	$ _____	$ _____
Estimated repair costs	$ _____	$ _____	$ _____
TOTAL	$ _____	$ _____	$ _____

* CDBG will pay a maximum of 50% of the required downpayment, or 10% of the purchase price, whichever is less.

Rehabilitation equity credited toward downpayment: $ _____

Name of Lender: _____

CERTIFICATION: I certify that the above information is true, accurate and complete to the best of my knowledge. I understand that giving false information is considered fraud and will result in lost of program benefits.

_____ _____
Lender Representative Date

_____ _____
Applicant Date

_____ _____
Applicant Date

_____ _____
Program Administrator Date

HOMEBUYER EDUCATION CHECKLIST

Homebuyer Education

_____ Personal and financial advantages of homeownership; rent vs. buy

_____ Credit analysis, including review of borrower's credit report and assessments of current financial situation and housing purchase capability as it relates to the individual household budget needs

_____ Basic terms of the real estate transaction, explanation of disclosures, e.g., Good Faith Estimate of Closing Costs, Truth-in-Lending Disclosure, HUD 1 Settlement Statement

_____ Selecting a real estate broker, lender, attorney

_____ Fair Housing Laws as they relate to borrower's rights to disclosure in a lending transaction

_____ The purchase process, i.e., writing an offer, counter offers, inspection requirements, contingencies, closing documents

_____ Insurance needs, e.g., homeowner's insurance, flood insurance, life insurance

_____ Budget for future home maintenance

_____ Review of payment affordability including PITI and how it may change annually, e.g., due to increased real estate taxes

_____ Calculation of cash needed to purchase: application fees, inspection fees, insurance, cash to close costs, reserves

_____ Explanation of private mortgage insurance

APPLICANT'S AUTHORIZATION TO TERMS AND CONDITIONS

Community Development Block Grant –Housing (CDBG- Housing) and Revolving Loan Fund (RLF)
HOME Homebuyers Rehabilitation Program (HHR)

You have completed an application for rehabilitation assistance through the Grantee's Name Community Development Block Grant (CDBG) or HOME program for your property located at (_____Applicant's Address____). Before any work may begin, we want to be certain that you understand the application process and that you understand your responsibilities before we may proceed with the rehabilitation work on your home/property.

Please read each statement below carefully and initial each line. By initialing and signing below, you are stating that you understand and agree to the terms and conditions outlined below. This authorization form will become part of our file. A copy of this document will be given to you for your records.

(Choose a program below 1a or 1b)

CDBG ONLY Applicants

_____1a. I understand that the CDBG loan will be deferred at 0% interest for as long as I occupy the property as my primary residence and agree to and re-record and pay for the re-recording of the mortgage after 30 years.

HOME ONLY Applicants

_____1b. I understand the terms and conditions of the Promissory Note/Agreement.

CDBG/HOME Applicants

_____2. I understand that unforeseen costs may be incurred which may increase the cost of the project if contractors discover code violations in the process of bringing the home up to standards that could not be documented in the original inspection (i.e. contractor removes drywall and in the process, discovers mold or code violations behind the walls that must be addressed). I understand any additional items that are discovered through the rehabilitation process that are unsafe must be corrected, and I agree to sign additional mortgage(s).

_____3. I understand that if unforeseen or unexpected conditions arise that would delay my project; I will be notified.

_____4. With reasonable notice, Grantee's Name, Division of Energy, Housing and Community Resources (DEHCR), and applicable assignees reserve the right to enter and inspect any in-progress or completed project.

_____5. Grantee's Name staff must have access to all areas of the home at the time of inspection. Rooms should not be shut off to Grantee's Name staff for any reason, including sleeping family member(s). Contractors must have access to the home to complete the contracted work.

_____6. I understand that household pets must be controlled at all times. If the Grantee's Name staff member(s) believes that any pet acts aggressively or is dangerous, the pet must be contained or removed from the home for the safety of Grantee's Name staff and the contractors. If the pet is not contained or removed, the Grantee's Name staff member(s) and/or the contractor will leave the premises without completing the scheduled work and may result in the cancellation of the project.

_____7. I understand and agree to keep the premises free of all hazards. All improperly stored chemicals, combustible materials, or other fire hazards that present a danger to the inspector and/or contractor(s) must be removed. The home should also be free of maintenance or housekeeping practices that limit the access of the contractors to the dwelling or create an unhealthy work environment (i.e. animal feces or raw sewage in the home). If this is not completed, the project may be cancelled.

_____8. I understand that after receiving notification from Grantee's Name, that Grantee's Name reserves the right to cancel a project at any time with reason. Reasons for cancellation may include, but are not limited to: work exceeding the original allocation, loss of funding, failure of homeowner to comply with the terms of the funding and/or contract, the homeowner or property has been determined to be ineligible for funding.

_____9. I understand that I or any other members of the household, relatives, friends…etc may not engage in any abusive behavior towards contractors, subcontractors, or Grantee's Name staff. "Abusive behavior" includes, but is not limited to, kicking Grantee's Name staff or contractors off of the property, use of profanity, yelling, or any threatening or intimidating actions. Violation of the provision may result in cancellation of the project. Any costs incurred at that point will be the responsibility of the homeowner.

_____10. I understand that in matters concerning the selection of paint colors, types of fixtures and other items not involving a change in the specifications of work write-up, the choice will be mine and I will deal directly with the contractor.

_____11. I understand and agree that it will be necessary to allow authorized personnel **to take pictures before, during (if an interim inspection is performed) and after the home rehabilitation process.** Grantee's Name will inspect the work in progress and upon completion, in order to assure that work meets the specifications.

_____12. I understand and agree that I will **NOT** make any changes to the work write-ups or specifications <u>without prior written approval</u> of the CDBG/HOME administrator.

_____13. I understand and agree <u>that I cannot perform any rehabilitation or renovation work on my property during the CDBG/HOME project until all work has been completed</u>. If I perform any rehabilitation or renovation work during the project, my project may be deemed ineligible and all cost including labor and materials incurred will become my responsibility. Grantee's Name or the CDBG/HOME program will not be held liable to correct any mistakes that may occur during my renovation. I further understand that work may cease until I complete my renovation work. The only exception, with prior written authorization of Grantee's Name is if I, the homeowner, am licensed to conduct a specific type of activities, such as a licensed electrician.

_____14. I understand that I must maintain my homeowner's insurance, remain current on my property taxes during the entire period that the lien is in place against my property and will not transfer title of the property.

_____15. I understand that if my house was built prior to 1978, a lead base paint clearance test may be completed at the end of my rehabilitation project based on the scope of work completed. The lead clearance test is to ensure that no lead hazards exist, following the completion of the rehabilitation project. I understand that I will receive a copy of the clearance report.

_____16. I understand that if disputes arise, that it may delay my project completion date.

_____17. I understand payment(s) will be made in the form of a single party check made out to the Contractor. I understand that authorization must be made by myself, the homeowner, for release of funds to the Contractor by signing the payment request form.

_____18. I agree that should disputes concerning payment to contractors arise, final determination will be made by the CDBG/HOME administrator at Grantee's Name, and I agree to abide by the decision of the administrator.

I have read, understand, and accept all of the Terms and Conditions as outlined above.

_____
Print Name

_____ _____
Owner Signature Date

_____
Print Name

_____ _____
Owner Signature Date

Original in file
Copy - Borrower _____ _____
Date

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

TRUTH IN LENDING DISCLOSURE STATEMENT

A.	Amount Financed (The amount of credit provided to me or on my behalf.)		$_____
B.	Annual Percentage Rate (The cost of my credit as a yearly rate.)	_____%	
C.	Finance Charges (The dollar amount the credit will cost me.)		
	1. Interest	$_____	
	2. Other	$_____	
	Total Finance Charges		$_____
D.	Total of Payments (A. + C.) (The amount I will have paid after I have made all payments as scheduled.)		$_____
E.	Number of Consecutive Monthly Payments	_____	
F.	Amount of Monthly Payments	$_____	
G.	Date First Monthly Payment Due	_____	

H. I have received a completed copy of this statement.

_____ _____
Signature of Borrower Date

_____ _____
Signature of Borrower Date

NOTICE OF RIGHT OF RESCISSION

(For Security Interest in Customer's Principal Residence)

This Notice relates to a consumer credit transaction dated _____, 20 ____, in the amount of $_____

between the Creditor named below and _____
(Customer(s)

NOTICE TO CUSTOMER REQUIRED BY FEDERAL LAW:

You have entered into a transaction on _____, 20 ____, which may result in a lien, mortgage, or other security interest on your home.* You have a legal right under federal law to cancel this transaction, if you desire to do so, without any penalty or obligation within three (3) business days from the above date or any later date on which all material disclosures required under the Truth in Lending Act have been given to you. If you so cancel the transaction, any lien, mortgage, or other security interest on your home* arising from this transaction is automatically void. You are also entitled to receive a refund of any downpayment or other consideration if you cancel. If you decide to cancel this transaction, you may do so by notifying

_____
(Name of Creditor)

at _____
(Address of Creditor's Place of Business)

by mail or telegram sent not later than midnight of _____, 20 ____. You may also use any other form of written notice identifying the transaction if it is delivered to the above address not later than that time. This notice may be used for that purpose by dating and signing below.

I hereby cancel this transaction.

_____, 20 ____ _____
(Date) (Customer's Signature)

EFFECT OF RESCISSION

When a customer exercises his right to rescind under paragraph (a) of Section 226.9 of Regulation Z, he is not liable for any finance or other charge, and any security interest becomes void upon such a rescission. Within 10 days after receipt of a notice of rescission, the Creditor shall return to the Customer any money or property given as earnest money, downpayment, or otherwise, and shall take any action necessary or appropriate to reflect the termination of any security interest created under the transaction. If the Creditor has delivered any property to the Customer, the Customer may retain possession of it. Upon the performance of the Creditor's obligations under this section, the Customer shall tender the property to the Creditor, except that if return of the property in kind would be impracticable or inequitable, the Customer shall tender its reasonable value. Tender shall be made at the location of the property or at the residence of the Customer, at the option of the Customer. If the Creditor does not take possession of the property within 10 days after tender by the Customer, ownership of the property vests in the Customer without obligation on his part to pay for it.

RECEIPT

Each of the undersigned acknowledges receipt of 2 copies of this Notice and warrants that the undersigned are all the persons obligated (including guarantors) on the note or contract who use or expect to use the home at

_____, as their principal residence.
(Customer(s)

Date _____, 20 ____

X_____
X_____

X_____

* When the transaction does not include a dwelling, this means "the property you are purchasing" or "your lot" rather than "your home."

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

INSURANCE NOTIFICATION

Date:

Dear Insurance Agent:

The Grantee holds a mortgage against the property owned by _____ _____ located at _____ in *"Grantee"*, Wisconsin. The Grantee requests that you list the Grantee as a mortgagor on the property owner's insurance policy.

Further, please notify the Clerk in the event the policy is canceled, expired, or changed. The Community Development Block Grant (CDBG) Program requires that the municipality have protection for its loan to the homeowner.

After the municipality is listed on the above property owner's insurance policy, please return the certification to the housing office as soon as possible. If you have any questions regarding my request, please contact our office at _____.

Thank you in advance for your cooperation.

Sincerely,

Program Administrator

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

BORROWER LABOR AGREEMENT

This Agreement between _____(municipality) and _____ (Borrower) certifies that all parties have agreed to the warranties and declarations below:

1. Borrower has the ability and skills to perform the work agreed to on the Work Write-Up.

2. Borrower will secure all necessary permits and comply with all applicable building codes, regulations and ordinances.

3. Borrower will defend, indemnify, and hold harmless the officers, members, and employees of the municipality from any and all damages and claims for damages resulting from personal injury and property damage, arising or in any way resulting from his/her performance under this Agreement.

4. Borrower has agreed to supply his/her services without compensation to accomplish the work agreed to in the Work Write-Up.

5. Borrower will not treat materials or supplies delivered or installed pursuant to this Agreement as his/her own until a Completion Certificate and mortgage have been executed by the Borrower and the municipality.

6. Borrower certifies that there will be no unpaid claims for materials, supplies or equipment and no claims of subcontractors or other workers for unpaid wages arising out of the performance of this Agreement.

7. Borrower agrees to supply the Community Development Department with a lien waiver or receipts for materials from all suppliers prior to signing of the Completion Certificate.

8. Borrower agrees to the following work schedule. Failure to complete work according to the schedule in an acceptable manner may constitute a breach of this Agreement.

Dollars Disbursed	Work to be Done	Work to be Completed by

9. In the event that the Borrower breaches any of the declarations and warranties herein, Borrower hereby agrees that the municipality has the following remedies:

   a. The municipality may require the completion of the work cited in the Work Write-Up by contractors designated by the municipality. In the event the above option is exercised, Borrower understands that the costs of all necessary work will be added to a deemed part of the debt received by the mortgage and from a lien on the mortgage property. In this case, the Borrower will permit entry into the premises to be improved to the extent necessary to complete those improvements.

   b. The municipality may declare the loan in default and demand repayment of the loan at that time.

Borrower	Date	Borrower	Date	Program Administrator	Date

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

COMMITMENT OF LANDLORDS TO RENT TO LMI FAMILIES

Date:

RE:

This is to certify that I (we) have given our commitment to the "Grantee" to rent the above-referenced property to low- and moderate-income families for a period of _____ years or the term of the loan, whichever is less. I (We) further agree not to raise rent charges in excess of levels established by the Grantee for a period of _____ years or the term of the loan whichever is less. The current established rent level is $_____ for a _____ bedroom apartment with/without utilities.

I (We) agree not to discriminate because of race, color, religion, sex, age, handicap, national origin, or familial status in the renting of any rehabilitated units.

I (We) further understand and agree that should the conditions of this loan be violated, the principal balance of the loan will become immediately due and payable at conventional interest rates.

_____
Owner

_____
Owner

_____
Program Administrator

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

ASSIGNMENT OF RENTS

_____, of _____, _____ County, Wisconsin, referred to as purchaser, has this date executed and delivered to _____, _____ County, Wisconsin, referred to as lender, a promissory note for $_____ secured by a real estate mortgage on real estate described as:

ALL OF THE ABOVE DESCRIBED LANDS being in the County of _____, and State of Wisconsin. (Street Address: _____)

Purchaser desires to further secure lender, and lender has required as additional and further security for the payment of the indebtedness, an assignment of rents, profits, and income of the above-described real estate, in case of default in the payment of any sums maturing, including taxes and insurance falling due, and as a further security for the performance of all the terms and conditions expressed in the note and mortgage.

Purchaser, for and in consideration of $_____ and other valuable consideration, the receipt of which is acknowledged, assigns, transfers, and sets over to lender the rents, profits, and income derived from the real estate and the building and improvements thereon, with full and complete authority and right in lender, in case of default in the payment of the indebtedness or any part thereof or failure to comply with any of the terms and conditions of the note and mortgage, or demand, collect, receive, and receipt for such rents, income and profits; to take possession of the premises without having a receiver appointed therefore; to rent and manage the same from time to time and apply the net proceeds of the rents, income, and profits from the property, on the indebtedness until all delinquencies, advances, and the indebtedness are paid in full by the application of the rents, or until title is obtained through foreclosure or otherwise.

A release or satisfaction of the mortgage referred to above shall also release or satisfy this Assignment.

IN WITNESS WHEREOF, I have signed and sealed this Assignment on the _____ day of _____.

STATE OF WISCONSIN
SS
_____ COUNTY

_____ (seal)

_____
(Typed/Printed Name)

_____ (seal)

_____
(Typed/Printed Name)

STATE OF WISCONSIN
SS
_____ COUNTY

Personally came before me this _____ day of _____, the above-named _____ and _____ to me known to be the person(s) who executed the foregoing instrument and acknowledged the same.

Notary Public _____ County, Wisconsin _____ (seal)

My Commission (Expires) (Is) _____
(Typed/Printed Name)

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

NOTICE OF NONDISPLACEMENT TO RESIDENTIAL TENANT

Date

Dear _____:

On __*(date)*__, we notified you that the owner of your building had applied for assistance to make repairs to the building you occupy. On _*(date)*__, the owner's request was approved, and the repairs will begin soon.

This is a notice of nondisplacement. You WILL NOT be required to move permanently as a result of the rehabilitation. This notice guarantees you the following:

1. You will be able to lease and occupy your present apartment (or another suitable, decent, safe and sanitary apartment in the same building/complex) upon completion of the rehabilitation. Your monthly rent (including/not including monthly utility costs) will not exceed $_____ per month. Of course, you must comply with the reasonable terms and conditions of your lease.

2. If you must move temporarily so that the repairs can be completed, you will be reimbursed for all of your extra expenses, including the cost of moving to and from the temporarily occupied unit and any additional housing costs. The temporary unit will be decent, safe and sanitary, and all other conditions of the temporary move will be reasonable.

Since you will have the opportunity to occupy a newly rehabilitated apartment, I urge you not to move. (If you do elect to move for your own reasons, you will not receive any relocation assistance.) We will make every effort to accommodate your needs. Because federal assistance is involved, you are protected by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended.

If you have any questions, please contact ___*(name)*____, ____*(title)*____, at ___*(phone)*___, ___*(address)*__. Remember, do not move before we have a chance to discuss your eligibility for assistance. This letter is important to you and should be retained.

Sincerely,

_____
Program Administrator

OMB Approval No. 2502-0265

Settlement Statement (HUD-1A)

Optional Form for Transactions without Sellers

Name and Address of Borrower:	Name and Address of Lender:
Property Location: (if different from above)	Settlement Agent:
	Place of Settlement:
Loan Number:	Settlement Date:

L. Settlement Charges			
800. Items Payable in Connection with Loan			
801. Our origination charge		(from GFE #1) $	
802. Your credit or charge (points) for the specific interest rate chosen		(from GFE #2) $	
803. Your adjusted origination charges		(from GFE A)	
804. Appraisal fee to		(from GFE #3)	
805. Credit report to		(from GFE #3)	
806. Tax service to		(from GFE #3)	
807. Flood certification		(from GFE #3)	
808.			
900. Items Required by Lender to Be Paid in Advance			
901. Daily interest charges from to @ $ /day		(from GFE #10)	
902. Mortgage insurance premium for months to		(from GFE #3)	
903. Homeowner's insurance for years to		(from GFE #11)	
904.			
1000. Reserves Deposited with Lender			
1001. Initial deposit for your escrow account		(from GFE #9)	
1002. Homeowner's insurance	months @ $ per month	$	
1003. Mortgage insurance	months @ $ per month	$	
1004. Property taxes	months @ $ per month	$	
1005.	months @ $ per month	$	
1006.	months @ $ per month	$	
1007. Aggregate Adjustment		–$	
1100. Title Charges			
1101. Title services and lender's title insurance		(from GFE #4)	
1102. Settlement or closing fee		$	
1103. Owner's title insurance		(from GFE #5)	
1104. Lender's title insurance		$	
1105. Lender's title policy limit $			
1106. Owner's title policy limit $			
1107. Agent's portion of the total title insurance premium		$	
1108. Underwriter's portion of the total title insurance premium		$	
1200. Government Recording and Transfer Charges			
1201. Government recording charges		(from GFE #7)	
1202. Deed $	Mortgage $	Releases $	
1203. Transfer taxes		(from GFE #8)	
1204. City/County tax/stamps	Deed $	Mortgage $	
1205. State tax/stamps	Deed $	Mortgage $	
1206.			
1300. Additional Settlement Charges			
1301. Required services that you can shop for		(from GFE #6)	
1302.		$	
1303.		$	
1304.			
1305.			
1400. Total Settlement Charges (enter on line 1602, Section N)			

M. Disbursements to Others	
1501.	
1502.	
1503.	
1504.	
1505.	
1506.	
1507.	
1508.	
1509	
1510.	
1511.	
1512.	
1513.	
1514.	
1515.	
1520. Total Disbursed (enter on line 1603)	

N. Net Settlement	
1600. Loan Amount	$
1601. **Plus** Cash/Check from Borrower	$
1602. **Minus** Total Settlement Charges (line 1400)	$
1603. **Minus** Total Disbursements to Others (line 1520)	$
1604. **Equals** Total Disbursements to Borrower (after expiration of any applicable rescission period required by law)	$

The Public Reporting Burden for this collection of information is estimated at 35 minutes per response for collecting, reviewing, and reporting the data. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number. No confidentiality is assured; this disclosure is mandatory. This is designed to provide the parties to a RESPA covered transaction with information during the settlement process.

Comparison of Good Faith Estimate (GFE) and HUD-1A Charges		Good Faith Estimate	HUD-1A
Charges That Cannot Increase	**HUD-1A Line Number**		
Our origination charge	# 801		
Your credit or charge (points) for the specific interest rate chosen	# 802		
Your adjusted origination charges	# 803		
Transfer taxes	#1203		

Charges That in Total Cannot Increase More Than 10%		Good Faith Estimate	HUD-1A
Government recording charges	# 1201		
	#		
	#		
	#		
	#		
	#		
	#		
	#		
Total			
Increase between GFE and HUD-1A Charges		$ or	%

Charges That Can Change		Good Faith Estimate	HUD-1A
Initial deposit for your escrow account	#1001		
Daily interest charges	# 901 $ /day		
Homeowner's insurance	# 903		
	#		
	#		
	#		

Loan Terms

Your initial loan amount is	$
Your loan term is	years
Your initial interest rate is	%
Your initial monthly amount owed for principal, interest, and and any mortgage insurance is	$ includes ☐ Principal ☐ Interest ☐ Mortgage Insurance
Can your interest rate rise?	☐ No. ☐ Yes, it can rise to a maximum of %. The first change will be on and can change again every after . Every change date, your interest rate can increase or decrease by %. Over the life of the loan, your interest rate is guaranteed to never be **lower** than % or **higher** than %.
Even if you make payments on time, can your loan balance rise?	☐ No. ☐ Yes, it can rise to a maximum of $.
Even if you make payments on time, can your monthly amount owed for principal, interest, and mortgage insurance rise?	☐ No. ☐ Yes, the first increase can be on and the monthly amount owed can rise to $. The maximum it can ever rise to is $.
Does your loan have a prepayment penalty?	☐ No. ☐ Yes, your maximum prepayment penalty is $.
Does your loan have a balloon payment?	☐ No. ☐ Yes, you have a balloon payment of $ due in years on .
Total monthly amount owed including escrow account payments	☐ You do not have a monthly escrow payment for items, such as property taxes and homeowner's insurance. You must pay these items directly yourself. ☐ You have an additional monthly escrow payment of $ that results in a total initial monthly amount owed of $. This includes principal, interest, any mortgage insurance and any items checked below: ☐ Property taxes ☐ Homeowner's insurance ☐ Flood insurance ☐ ☐ ☐

Note: If you have any questions about the Settlement Charges and Loan Terms listed on this form, please contact your lender.

OMB Approval No. 2502-0265

Good Faith Estimate (GFE)

Name of Originator	Borrower
Originator Address	Property Address
Originator Phone Number	
Originator Email	Date of GFE

Purpose

This GFE gives you an estimate of your settlement charges and loan terms if you are approved for this loan. For more information, see HUD's *Special Information Booklet* on settlement charges, your *Truth-in-Lending Disclosures*, and other consumer information at www.hud.gov/respa. If you decide you would like to proceed with this loan, contact us.

Shopping for your loan

Only you can shop for the best loan for you. Compare this GFE with other loan offers, so you can find the best loan. Use the shopping chart on page 3 to compare all the offers you receive.

Important dates

1. The interest rate for this GFE is available through _____. After this time, the interest rate, some of your loan Origination Charges, and the monthly payment shown below can change until you lock your interest rate.
2. This estimate for all other settlement charges is available through _____.
3. After you lock your interest rate, you must go to settlement within ___ days (your rate lock period) to receive the locked interest rate.
4. You must lock the interest rate at least ___ days before settlement.

Summary of your loan

Your initial loan amount is	$	
Your loan term is	years	
Your initial interest rate is	%	
Your initial monthly amount owed for principal, interest, and any mortgage insurance is	$ per month	
Can your interest rate rise?	☐ No	☐ Yes, it can rise to a maximum of %. The first change will be in .
Even if you make payments on time, can your loan balance rise?	☐ No	☐ Yes, it can rise to a maximum of $
Even if you make payments on time, can your monthly amount owed for principal, interest, and any mortgage insurance rise?	☐ No	☐ Yes, the first increase can be in and the monthly amount owed can rise to $. The maximum it can ever rise to is $.
Does your loan have a prepayment penalty?	☐ No	☐ Yes, your maximum prepayment penalty is $.
Does your loan have a balloon payment?	☐ No	☐ Yes, you have a balloon payment of $ due in years.

Escrow account information

Some lenders require an escrow account to hold funds for paying property taxes or other property-related charges in addition to your monthly amount owed of $ _____.

Do we require you to have an escrow account for your loan?

☐ No, you do not have an escrow account. You must pay these charges directly when due.

☐ Yes, you have an escrow account. It may or may not cover all of these charges. Ask us.

Summary of your settlement charges

A	Your Adjusted Origination Charges *(See page 2.)*	$
B	Your Charges for All Other Settlement Services *(See page 2.)*	$
A + B	**Total Estimated Settlement Charges**	$

Understanding your estimated settlement charges

Some of these charges can change at settlement. See the top of page 3 for more information.

Your Adjusted Origination Charges	
1. Our origination charge This charge is for getting this loan for you.	
2. Your credit or charge (points) for the specific interest rate chosen ☐ The credit or charge for the interest rate of ____ % is included in "Our origination charge." (See item 1 above.) ☐ You receive a credit of $ ____ for this interest rate of ____ %. This credit **reduces** your settlement charges. ☐ You pay a charge of $ ____ for this interest rate of ____ %. This charge (points) **increases** your total settlement charges. The tradeoff table on page 3 shows that you can change your total settlement charges by choosing a different interest rate for this loan.	
A Your Adjusted Origination Charges	$

Your Charges for All Other Settlement Services	
3. Required services that we select These charges are for services we require to complete your settlement. We will choose the providers of these services. *Service* / *Charge*	
4. Title services and lender's title insurance This charge includes the services of a title or settlement agent, for example, and title insurance to protect the lender, if required.	
5. Owner's title insurance You may purchase an owner's title insurance policy to protect your interest in the property.	
6. Required services that you can shop for These charges are for other services that are required to complete your settlement. We can identify providers of these services or you can shop for them yourself. Our estimates for providing these services are below. *Service* / *Charge*	
7. Government recording charges These charges are for state and local fees to record your loan and title documents.	
8. Transfer taxes These charges are for state and local fees on mortgages and home sales.	
9. Initial deposit for your escrow account This charge is held in an escrow account to pay future recurring charges on your property and includes ☐ all property taxes, ☐ all insurance, and ☐ other ____.	
10. Daily interest charges This charge is for the daily interest on your loan from the day of your settlement until the first day of the next month or the first day of your normal mortgage payment cycle. This amount is $ ____ per day for ____ days (if your settlement is ____).	
11. Homeowner's insurance This charge is for the insurance you must buy for the property to protect from a loss, such as fire. *Policy* / *Charge*	
B Your Charges for All Other Settlement Services	$
A + B Total Estimated Settlement Charges	$

Instructions

Understanding which charges can change at settlement

This GFE estimates your settlement charges. At your settlement, you will receive a HUD-1, a form that lists your actual costs. Compare the charges on the HUD-1 with the charges on this GFE. Charges can change if you select your own provider and do not use the companies we identify. (See below for details.)

These charges **cannot increase** at settlement:	The total of these charges **can increase up to 10%** at settlement:	These charges **can change** at settlement:
▪ Our origination charge ▪ Your credit or charge (points) for the specific interest rate chosen *(after you lock in your interest rate)* ▪ Your adjusted origination charges *(after you lock in your interest rate)* ▪ Transfer taxes	▪ Required services that we select ▪ Title services and lender's title insurance *(if we select them or you use companies we identify)* ▪ Owner's title insurance *(if you use companies we identify)* ▪ Required services that you can shop for *(if you use companies we identify)* ▪ Government recording charges	▪ Required services that you can shop for *(if you do not use companies we identify)* ▪ Title services and lender's title insurance *(if you do not use companies we identify)* ▪ Owner's title insurance *(if you do not use companies we identify)* ▪ Initial deposit for your escrow account ▪ Daily interest charges ▪ Homeowner's insurance

Using the tradeoff table

In this GFE, we offered you this loan with a particular interest rate and estimated settlement charges. However:

- If you want to choose this same loan with **lower settlement charges,** then you will have a **higher interest rate.**
- If you want to choose this same loan with a **lower interest rate,** then you will have **higher settlement charges.**

If you would like to choose an available option, you must ask us for a new GFE.

Loan originators have the option to complete this table. Please ask for additional information if the table is not completed.

	The loan in this GFE	The same loan with lower settlement charges	The same loan with a lower interest rate
Your initial loan amount	$	$	$
Your initial interest rate[1]	%	%	%
Your initial monthly amount owed	$	$	$
Change in the monthly amount owed from this GFE	No change	You will pay $ **more** every month	You will pay $ **less** every month
Change in the amount you will pay at settlement with this interest rate	No change	Your settlement charges will be **reduced** by $	Your settlement charges will **increase** by $
How much your total estimated settlement charges will be	$	$	$

[1] *For an adjustable rate loan, the comparisons above are for the initial interest rate before adjustments are made.*

Using the shopping chart

Use this chart to compare GFEs from different loan originators. Fill in the information by using a different column for each GFE you receive. By comparing loan offers, you can shop for the best loan.

	This loan	Loan 2	Loan 3	Loan 4
Loan originator name				
Initial loan amount				
Loan term				
Initial interest rate				
Initial monthly amount owed				
Rate lock period				
Can interest rate rise?				
Can loan balance rise?				
Can monthly amount owed rise?				
Prepayment penalty?				
Balloon payment?				
Total Estimated Settlement Charges				

If your loan is sold in the future

Some lenders may sell your loan after settlement. Any fees lenders receive in the future cannot change the loan you receive or the charges you paid at settlement.

STATUTORY CHECKLIST FOR HOUSING

The project is either:_____ rehabilitation or _____ new construction (check one).

Project Address: _____

Environmental Issue	Property is in Compliance if:	Compliance Status
Historic Properties – Rehabilitation of existing buildings	Property is less than 50 years old, or if the activity is listed on "Activities Exempt from Further Review"	_____ Age of Property _____ Compliance or NOT APPLICABLE _____ Consultation w/ Environmental Desk required _____ Conditions and/or Mitigation Actions Required _____ Environmental Desk OK received Date:_____
Historic Properties - new construction	Property to be developed is less than ½ acre in size and approval has been obtained from the DOA environmental review officer: OR property is > ½ acre is size, and an archeological survey has been completed by a professional archeologist	_____ Compliance or NOT APPLICABLE _____ Consultation w/ Environmental Desk required _____ Conditions and/or Mitigation Actions Required _____ Environmental Desk OK received Date:_____
Floodplain Management	Property is not located in a 100-year floodplain	_____ Floodplain Map # _____ Compliance or NOT APPLICABLE _____ Consultation/Review Required _____ Conditions and/or Mitigation Actions Required https://msc.fema.gov/portal NOTE: Attach copy of map segment to project file
Coastal Areas Protection and Management	Property is not located on a river or stream flowing into or is within ½ mile of Lake Michigan or Lake Superior, or located on shoreline of either lake	_____ County in which project will occur _____ Compliance or NOT APPLICABLE _____ Consultation/Review Required _____ Conditions and/or Mitigation Actions Required
Wild and Scenic Rivers	Property is not located on either the St. Croix or Wolf Rivers or National Wild and Scenic Rivers System Components - Wisconsin (Attachment 12)	_____ Project site is on a river (Y/N) _____ Compliance or NOT APPLICABLE _____ Consultation/Review Required _____ Conditions and/or Mitigation Actions Required Name of River: _____
Runway Clear Zones	Property is not listed on HUD Circular letter HD-85-8, dated 5/23/85 (applies to Milwaukee, LaCrosse, Green Bay)	_____ Name of airports with scheduled service within 5 miles _____ Compliance or NOT APPLICABLE _____ Consultation/Review Required _____ Conditions and/or Mitigation Actions Required
Manmade Hazards	Property is not located on or adjacent to site of a previous unremediated chemical spill, leaking underground storage tank, Superfund site, or landfills	_____ Compliance or NOT APPLICABLE _____ Consultation/Review Required _____ Conditions and/or Mitigation Actions Required Note: attach results of searches http://dnr.wi.gov/botw/SetUpBasicSearchForm.do indicating presence/absence of hazards

(continued)

Environmental Issue	Property is in Compliance if:	Compliance Status
Noise	Not applicable to non-residential projects	_____ NOT APPLICABLE to this project. In Compliance _____ Located near a noise source; consultation required Note: Attach a copy of the DOT map showing traffic counts http://trust.dot.state.wi.us/roadrunner/
Wetlands Protection	Project is not located in an existing wetland or impacting on existing wetland. No direct or indirect effects	_____ Compliance or NOT APPLICABLE _____ Consultation/Review Required _____ Conditions and/or Mitigation Actions Required _____ Environmental Desk OK received Date: _____
Water Quality	Project causes no dredged or fill materials in navigable waters, including wetlands: preapproved general permit or 'no effect' finding	_____ Compliance or NOT APPLICABLE _____ Consultation/Review Required _____ Conditions and/or Mitigation Actions Required _____ Environmental Desk OK received Date: _____
Water Quality: Sole Source Aquifers	None in Wisconsin per EPA.	_____ Not Applicable to this Project: in Compliance
Solid Waste Disposal Availability, renovation and/or demolition of buildings containing asbestos or lead based paint	No hazardous waste is generated; no excessive pressure placed on existing landfills; waste is removed in accordance with DNR procedures	_____ Compliance or NOT APPLICABLE _____ Consultation/Review Required _____ Conditions and/or Mitigation Actions Required
Endangered Species	No threats to either species or habitats.	_____ Compliance or NOT APPLICABLE _____ Consultation/Review Required _____ Conditions and/or Mitigation Actions Required Note: attach results of Fish & Wildlife Service search http://www.fws.gov/midwest/endangered/lists/wisc-cty.html
Farmland Protection	Unique or protected farmland is not developed; construction takes place within properly zoned sites adjacent to existing development	_____ Compliance or NOT APPLICABLE _____ Consultation/Review Required _____ Conditions and/or Mitigation Actions Required Note: Attach evidence of zoning, as appropriate
Air Quality	No permanent effect on air quality; OR permitting for installation of large, fuel-burning equipment obtained	_____ Compliance or NOT APPLICABLE _____ Consultation/Review Required _____ Conditions and/or Mitigation Actions Required
Thermal and Explosive Hazards	Property not located on or adjacent to an industrial facility that creates explosive or thermal hazard, past spills, Superfund sites, or hazardous industries	_____ Compliance or NOT APPLICABLE _____ Consultation/Review Required _____ Conditions and/or Mitigation Actions Required _____ Environmental Desk OK received Date: _____ Note: include results of search http://dvmwapps.wi.gov/ER_Tanks/ER-EN-TankSearch.htm

Certification:

I certify that, to the best of my knowledge, this activity is in compliance with NEPA and the implementing regulations of the program funding this activity.

_____ _____

Grant Administrator Date

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

INITIAL PROJECT REVIEW FORM
ARCHITECTURE/HISTORICAL RESOURCES

Date: _____

County Where Project Located: _____ Age: _____

Project Address: _____

Owner Name: _____

Requesting Agency: _____

Contact Person: _____

Title: _____

Mailing Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Fax: _____

E-mail: _____

Please complete and return form to: Environmental Desk
DOA/DEHCR
P. O. Box 7970
Madison, WI 53707-7970

I. ADMINISTRATIVE DATA

Program Category Name: ☐ CDBG ☐ RLF

Subrecipient ID Number: Contract #

Name(s) of Federal and/or State Agency(ies) Involved in Project:

Description of Project: Use the following procedure to describe the nature and extent of work involved in the proposed project:

1. Submit list of proposed work to be done.
2. Submit list of proposed work items which DO NOT appear on the Activities Exempt from Further Review list (Attachment 10).

II. ARCHITECTURAL/HISTORIC RESOURCES CHECKLIST

To the best of your ability, indicate if the Project site may impact property(ies) on the following lists:

_____ National Register of Historic Places
_____ Properties determined eligible for the National Register
_____ State Register of Historic Places
_____ Wisconsin inventory of historic places
_____ Locally-designated historic property
_____ Local intensive survey--see attached list of community surveys (Give name and date _____
_____ None of the above

III. PROJECT LOCATION AND MAPS

A. If the project is within an **incorporated** community, fill out this section:

_____

_____

Location of Project _____ _____ _____
(Village/City) (Town) (County)
Name of Project Map, if available: _____
[Note: If the project is within an incorporated area an accompanying City Map (such as a DOT map) is required for review.]

B. If the project is within an **unincorporated** area, fill out this section:

Township(s) _____ Range(s) _____ Section(s) _____
[Note: If the project is within an incorporated area a township map is acceptable, a 7.5" USGS Quad Map is most helpful, copies of quad maps (available from surveyor or planning offices) **must** include the map's name.]

IV. PHOTOGRAPHS

Please include clear general photographs of each building 50 years or older and specific photos of areas in which work will be carried out. Photographs should be appropriately labeled (i.e., name of property, location of property, description of view, name of photographer and date photograph was taken.) All photographs must be keyed on the accompanying map.

[Note: Either black and white or color photographs or Polaroids or colored copies are acceptable. Black and white photo copies are not acceptable. Photographs must be unobstructed, in focus and properly developed to be acceptable. Your project may be delayed if the photographs do not meet these requirements.]

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

ANNUAL TENANT VERIFICATION

(NOTE: This form should be put on agency letterhead and sent in an envelope marked "DO NOT FORWARD")

RE: _____

Dear (Tenant's Name):

The above-named landlord of your apartment received a rehabilitation loan for the unit in which you live. Because he/she received the rehabilitation funds as a part of a federally-funded program, your landlord agreed to rent only to households with low incomes at the time of the initial rental, and to keep the rent at an affordable level for at least five years. To verify compliance with these requirements, please complete the following:

Your name: _____

Your telephone number: _____

Monthly rent: _____ with utilities _____ without utilities)

I certify that I have lived in this unit since: _____.

_____ _____
Signature of Renter Date

Please return this completed form in the enclosed self-addressed stamped envelope. If you have any questions, please contact me at _____.

Thank you for your cooperation.

Sincerely,

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

LEAD-BASED PAINT PAMPHLET RECEIPT FORM

I have received a copy of the EPA pamphlet entitled “Protect Your Family from Lead in Your Home.”

_____ _____
Signature of Applicant Date

_____ _____
Signature of Applicant Date

“Protect Your Family from Lead in Your Home” pamphlet

This brochure is available at:

http://www2.epa.gov/sites/production/files/documents/pyf_brochure_landscape_b_w_1-16-13.pdf

“Renovate Right” pamphlet

https://www.cpsc.gov//PageFiles/121915/renovateright.pdf

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

CLOSEOUT LETTER FOR OWNER-OCCUPIED UNIT

Date:

Dear:

This letter serves as the official closing notice for your CDBG housing rehabilitation loan with the "Grantee Name".

A final inspection of your property has been made and all specifications for work to be done are complete. The final payment to the hired contractor(s) has been made.

The final balance on your CDBG housing rehabilitation loan with the Grantee is $_____. Payments made to contractor(s) are listed below:

Date	Contractor Name	Amount
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Total Amount of Payments _____

In the event that this rehabilitated property ceases to be your principal place of residence, please contact the Clerk or the CDBG Housing Office.

Thank you for your participating in the CDBG Program. Please contact our office if you have any concerns.

Sincerely,

Program Administrator

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

CLOSEOUT LETTER FOR RENTAL UNIT

Date:

RE:

Dear :

This notice is to inform you that the final inspection of the contracted work on your rental property at _____ has been completed.

You are reminded of your agreement to rent this/these units to low- and moderate-income tenants for the next five years (current income limits are enclosed), and to keep rents at the agreed upon level.

Your monthly payment of $_____ is due the first of each month beginning _____.

The final balance on your CDBG housing rehabilitation loan with the Grantee is $_____. Payments made to contractor(s) are listed below:

Date	Contractor Name	Amount
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Total Amount of Payments _____

In the event that new tenants occupy the above stated property, you are required to contact the CDBG Office. Your obligation for renting to low- or moderate-income tenants ends _____.

The Grantee appreciates your participation in this program. If you have any concerns or questions, please contact the CDBG Office at _____.

Sincerely,

Program Administrator

AFFIDAVIT OF PARTIAL FORGIVENESS OF DEBT

In reference to: (legal description)

THIS SPACE RESERVED FOR RECORDING DATA

_____, Clerk for the _____ of _____, being first duly sworn under oath, deposes and says that on _____, _____ gave a mortgage note to the _____ of _____ in the amount of $_____. On _____ the_____ of _____ sent _____ a letter indicating that the amount of debt secured by said mortgage was reduced from $_____ to $_____. All other terms and conditions of the mortgage and associated promissory note remain unchanged.

The mortgage referred to above is recorded in _____ County, as document number _____ at the Register of Deed's office.

RETURN TO

_____
Parcel Identification Number (PIN)

_____
Clerk's Signature

AUTHENTICATION **OR** **ACKNOWLEDGEMENT**

Signatures of _____
_____
_____
_____
authenticated this _____ day of _____, 20_____

*_____
Title: Member State Bar of Wisconsin or _____
authorized under Sec. 706.06, Wis. Stats.

This instrument was drafted by
_____

STATE OF WISCONSIN }
} ss.
_____ County }

Personally came before me, this _____ day of _____, 20____
the above named _____
(names of individuals and their spouse)

_____
(relationship, if any, or name of officer and title)

_____
to me known to be the person _____ who executed the foregoing instrument and acknowledged the same.

*_____
Notary Public _____ County, Wis.
My Commission (Expires) (Is) _____

NOTICE OF RECORDED MORTGAGE

DOCUMENT NO. | DOCUMENT NAME

was granted a mortgage by _____ dated , and recorded , in Volume _____ of Records, at Page _____, as Document No. _____ ("Mortgage"). The Mortgage affects the real estate described below.

This Notice is being recorded to extend the effectiveness of the Mortgage for an additional 30 years under Section 893.33 of the Wisconsin Statutes.

Recording Area

Name and Return Address

_____
Parcel Identifier No.

☐ If checked here, description continues or appears on attached sheet.

STATE OF WISCONSIN

County of _____

This instrument was acknowledged before me

on _____,

by _____
(Name(s) of person(s))

as _____
(Type of authority; e.g., officer, trustee, etc., if any)

of _____
(Name of party on behalf of whom instrument was executed)

_____

*_____
Notary Public, Wisconsin

My Commission (Expires) _____

Dated _____

_____
NAME OF LENDER

By _____

* _____

Title _____

Attest _____

* _____

Title _____

This instrument was drafted by

_____

*Type or print name signed above

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

CDBG REHABILITATION LOAN REVIEW FORM

Loan #: _____

PROPOSED REHABILITATION SUMMARY:

Item Approved:

_____ _____

_____ _____

_____ _____

_____ _____

_____ _____

_____ _____

COMMENTS:

MORTGAGE SECURITY:

Estimated market value: $_____

Outstanding mortgage amount(s): - _____

Available equity: = _____

Rehabilitation cost estimate: _____

Estimated after Rehabilitation value: _____

Authorized loan amount: $_____

Approved / Disapproved: _____

(circle one) Authorizing Signature Date

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

LAND CONTRACT CONSENT

FOR ALL MEN BY THESE PRESENT, that _____(occupant)_____, and his wife,

_____(occupant)____ of , _____(street address)_____,_____, Wisconsin, as

PURCHASER under that certain land contract, heretofore, executed between ,

____(property owner)_____, VENDOR, and that _____(occupants)_____, PURCHASER, and land

contract being dated _____, and being recorded on _____, in the Office of the

Register of Deeds for _____ County, Wisconsin, in Volume _____ Page _____, as

Document No. _____, do hereby expressly consent in writing that _____(occupants)

, PURCHASER, under the land contract hereinabove recited, may execute a mortgage against the premises

subject to the terms of said land contract in favor of the Grantee, _____ County, Wisconsin.

_____ _____
PROPERTY OWNER DATE

_____ _____
PROPERTY OWNER DATE

STATE OF WISCONSIN }
} ss.
Noah County }

Personally came before me on _____ day of _____, 20____ the above named

_____ to be known to be the persons who executed the

foregoing instrument and acknowledged the same.

_____
(Signature)

*_____
(Typed or Printed Name)

Notary Public _____ County, Wisconsin.
My Commission (Expires) _____

To be placed on official municipal letterhead.

REQUEST FOR EXCEPTION TO CONFLICT OF INTEREST PROVISION

Date _____

The following person(s) have a potential conflict of interest under the Community Development Block Grant rules (24 CFR part 570.489(h)):

_____

_____

The nature of the conflict for the above person(s) is:

_____

_____

The public was notified of the above named conflict(s) at a meeting of the _____(housing committee/board/council)_____ on ____(date)___. The minutes of the above named meeting are available for review by the public.

The loans to the above named person(s) are:

____ LMI owner-occupied.

____ LMI renter-occupied.

As the attorney for the (City, Town, County, Village) of _____, I have determined that the interest for which the exception is sought would not violate state or local law.

Please send the response to this request to:

(contact person name and address)

Sincerely,

(Attorney's signature)

ANNUAL TENANT ELIGIBILITY VERIFICATION

(NOTE: This form should be put on agency letterhead and sent in an envelope marked "DO NOT FORWARD.")

RE: _____
(landlord's name / property address)

Dear (Tenant's Name):

The above-named landlord of your apartment received a rehabilitation loan for the unit in which you live. Because he/she received the rehabilitation funds as a part of a federally-funded program, your landlord agreed to rent only to households with low incomes at the time of the initial rental, and to keep the rent at an affordable level for at least five years. To verify compliance with these requirements, please complete the following:

Your name: _____

Your telephone number: _____

Monthly Rent: $_____ (_____ with utilities _____ without utilities)

I certify that I have lived in this unit since: _____

_____ _____
(signature) (date)

Please return this completed form in the enclosed self-addressed stamped envelope. If you have any questions, please contact me at: _____

Thank you for your cooperation.

Sincerely,

~ SUMMARY ~
CDBG FINANCIAL MANAGEMENT RECORDS AND FORMS

DEPOSITORY CERTIFICATION & SIGNATURE CERTIFICATION (forms & instructions)

GRANT ACCOUNT DOCUMENTS

Request for Disbursement Form

Disbursement Register
- Records requests for CDBG funds by budget category

Grant Account Transaction Journal
- Records receipt of CDBG funds
- Documents payments from the Grant Account
- Documents compliance with the 3-day, $5,000 guideline

CDBG Reimbursement Request Form (and attached documentation)
- Documents payments made by the municipality which will be reimbursed by CDBG funds

WORKING ACCOUNT DOCUMENTS

Rehabilitation Obligation Tracking Journal
- Documents funds still available for loans
- Adjusted for loan reductions or changes in mortgage amount

Working Account Transactions Journal (Working Account)
- Documents deposits and payment of all funds used for rehabilitation
- Documents compliance with 10-day disbursal requirement
- Documents repaid loans, loan payments, and interest received
- Documents administrative payments made with revolving loan funds

Individual Obligation Journal
- Documents total payments
- Documents balance remaining to pay for borrower

Lead-Based Paint (LBP) Training Reimbursement Request Form
Includes Commitment To Work form for contractors

DEPOSITORY CERTIFICATION FORM AND INSTRUCTIONS

A checking account must be established **by the municipality** specifically for CDBG funds. This account must be a **NONINTEREST-BEARING** checking account. If interest is inadvertently earned on this account, it must be returned to the Department of Housing and Urban Development via DOA/DEHCR.

This account should be set up so that you receive your cancelled checks with your monthly bank statement.

CDBG funds requested will be deposited directly into your Grant Account, and **your bills should be paid from this account.** This allows for a clear audit trail of CDBG funds deposited to, and disbursed from, your account.

- Fill in the "Grantee Name" and "Contract #" AND **"Grantee's DUNS #"** in the upper right corner of the form.

- **Section I** identifies the financial institution where the various installments of your grant payments will be sent, and the checking account number for the deposit of grant payments. (Note: Be sure to fill in the complete address of the financial institution.)

  The signature in Section I is that of the chief elected official (i.e., Mayor, City Council President, Village President, Town Board Chairman, County Board Chairman, or County Executive).

- **Section II** requires the local financial institution to notify the grantee when each grant payment has been received. It also identifies the insurer of the CDBG deposits.

  The signature in Section II is that of an official in the designated local financial institution. **It is important for the bank official to know that the Community must be notified by telephone the same day CDBG funds are received by the bank**.

- Should the local financial institution's name, address, or the account number change, a new form must be completed. If you have any questions, contact Department of Administration, Division of Housing.

- When the *Depository Certification* form has been completed, retain a photocopy of the form for your grant files. Mail the **original form, with original signatures,** to:

  Grants Specialist
  CDBG-Housing Program
  101 E. Wilson St., 5th Floor
  P. O. Box 7970
  Madison, WI 53707-7970

GRANTEE NAME: _____

CONTRACT #: _____

GRANTEE DUNS #: _____

DEPOSITORY CERTIFICATION

SECTION I

The _____ **has**
Name, Address and Zip Code of Bank

been designated to receive all funds resulting from the contract executed between the Wisconsin

Dept. of Administration and the _____ **of** _____
(City, town, village, county) Grantee Name

The funds should be deposited to account # _____

_____ _____ _____
Signature of Chief Elected Official Title Date

Typed Name _____

SECTION II

The account identified in Section I has been established with this bank. All necessary documentation to legally enable this bank to receive direct deposits to this account without payee's endorsement are in this bank's custody. All deposits are insured by _____. <u>The Depository hereby agrees to immediately notify the recipient local government when a deposit is made to the above account.</u>

_____ _____ _____
Signature of Bank Official Title Date

Typed Name _____

SIGNATURE CERTIFICATION FORM AND INSTRUCTIONS

- Fill in the "Grantee's Name" and "Contract #" in the upper right corner of the form.

- The *Signature Certification* form identifies up to three individuals, authorized by the chief elected official (CEO), to make requests for grant funds. Any local official or employee may be authorized to request funds. (They do not have to be the same individuals that sign the community checks.) However, the **CEO is disqualified** from being authorized to request funds, as the CEO is responsible for certifying the authorized signatories. **The CEO shall only sign the *Signature Certification* form <u>after</u> the authorized individuals have signed and dated the form.**

- Only the three individuals authorized on the *Signature Certification* form may sign the *Request for Disbursement of Community Development Block Grant Funds* form. If at any time an authorized signatory is unable to continue signing the *Request for Disbursement of Community Development Block Grant Funds* forms, or a name change occurs, a new form must be completed and mailed to the address below. Please be sure to complete the line that indicates the **"previously authorized signature."**

- When the *Signature Certification* form has been completed, retain a photocopy of the form for your grant files. Mail the **original form, with original signatures,** to:

  Grants Specialist
  CDBG-Housing Program
  101 E. Wilson St., 5th Floor
  P. O. Box 7970
  Madison, WI 53707-7970

GRANTEE NAME: ______________________________

CONTRACT #: ______________________________

SIGNATURE CERTIFICATION

______________________________	____________________	______________
Signature of Authorized Person	Title	Date

Typed Name ______________________________

This signature replaces the previously authorized signature of: ______________________________

______________________________	____________________	______________
Signature of Authorized Person	Title	Date

Typed Name ______________________________

This signature replaces the previously authorized signature of: ______________________________

______________________________	____________________	______________
Signature of Authorized Person	Title	Date

Typed Name ______________________________

This signature replaces the previously authorized signature of: ______________________________

»»»««
I HEREBY CERTIFY THAT THE ABOVE SIGNATORIES ARE AUTHORIZED TO SIGN THE REQUEST FOR DISBURSEMENT OF COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS.

______________________________	____________________	______________
Signature of Chief Elected Official	Title	Date

Typed Name ______________________________

REQUEST FOR DISBURSEMENT OF COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS
FORM AND INSTRUCTIONS

To request funds from your contract budget, you must complete the Request For Disbursement of Community Development Block Grant Funds form. Much of the information on the form will be preprinted by DOA/DEHCR. **YOU MUST USE THIS FORM TO REQUEST DISBURSEMENT OF FUNDS**. The instructions for completing it follow:

SECTION 1:

REQUEST NO.: Consecutively number each payment request for this contract. When submitting your **final** request for this contract, check the "Yes" box to indicate that this is the Final request. Once the FINAL REQUEST has been submitted and processed, no additional funds can be drawn against this contract.

REQUEST AMOUNT. This is the amount being requested **at this time** from the grant award for this contract number. The amount shown must match the amount on the "TOTAL" line in Section 3. Each request (except the final one) must be for at least $5,000.00. Be sure to round off to the nearest full dollar (e.g. $25,500.00).

SECTION 2:

CDBG ADVANCES RECEIVED TO DATE. Enter the total amount of all CDBG funds **requested** and **received to date** under this contract number.

PROGRAM INCOME AND OTHER RECEIPTS. Enter the total amount of all collections, refunds and/or miscellaneous receipts of funds received since your contract was signed (e.g., contractor penalty payments, rents, bid specification packet deposits). DO NOT include income if it is placed in a revolving loan fund for rehabilitation. Program income from previously closed-out housing grants also should be included here.

SUBTOTAL. Enter the total of amounts on Lines 1 and 2.

ACTUAL DISBURSEMENTS. Enter the total amount of **actual disbursements** from the Grant Account that relate to this contract to date. The total Actual Disbursements can be found on your Grant Account Transactions Journal.

FEDERAL FUNDS ON HAND. Enter the amount on Line 3 minus amount on Line 4.

UNPAID REQUESTS PREVIOUSLY SUBMITTED. Enter the dollar amount of requests for funds that have been submitted, but have not been received as of the date of current disbursement request.

GRANT AMOUNT AWARDED: This is the amount of your grant award.

TOTAL AMOUNTS REQUESTED. This is the total of lines 1and 6, and the amount being requested.

BALANCE REMAINING. Subtract line 8 from line 7. This is the amount left to draw down.

SECTION 3:

When you submit a Request for Disbursement of Community Development Block Grant Funds, you must indicate to which classification the draw is to be charged. The following chart shows what is covered by each classification.

Acquisition of Real Property	Acquisition of a structure to be demolished
Clearance and Demolition	Demolition of a structure
General Program Administration	Costs associated with administering the CDBG program
Homeownership Assistance	Downpayment and closing cost assistance
Park, Recreational Facilities	Handicap access improvements at a park
Rehabilitation: Multi-Unit Residential	Rehabilitation of duplex or multi-unit building, conversions
Rehabilitation: Single-Unit Residential	Rehabilitation of a single unit
Relocation	Costs associated with relocation of tenant
Sidewalks	Sidewalk repair or replacement
Street Improvements	Street repairs or resurface, street or storm drains, curb/gutter work
Water/Sewer Improvements	Municipal well, storm sewers, water/sewer lines to **lot** line, fire hydrants

If you have an activity which is not covered by the above chart or you are unable to determine into which classification it falls, please call DOA/DEHCR.

Fill in the dollar amount being requested from each classification. For example, a $32,000.00 request might be allocated this way:

0200	Relocation	08	6613	
0270	Homeownership Assistance	13	6614	10,000.00
0380	Rehabilitation – Single Unit Residential	14A	6615	20,000.00
0130	General Program Administration	21A	6616	2,000.00

SECTION 4:

Two of the people whose signatures appear on the Signature Certification form need to **sign and date** the disbursement request. The Chief Elected Official CANNOT be one of these signatures. To prevent delays in processing disbursement requests, check signatures as they must match those on the Signature Certification form. **Whiteouts, trace-overs, signature stamps, and corrections are not acceptable in this section.** DOA will countersign the request.

When the form is complete, make a copy for your Financial Management File, and forward the original to:

Grants Specialist
CDBG-Housing Program
101 E. Wilson St., 5th Floor
P. O. Box 7970
Madison, WI 53707-7970

WISCONSIN DEPARTMENT OF ADMINISTRATION
REQUEST FOR DISBURSEMENT OF
Community Development Block Grant Housing Funds

SECTION I: REQUEST FOR PAYMENT **AMOUNT REQUESTED $**

Make check payable to:
Grantee
Financial Institution
FI Address
Municipality, WI XXXXX

Contract # **H XX-XX-xx**

Request # _____

FINAL REQUEST? Yes ☐

SECTION II: STATUS OF CDBG FUNDS **PO: 0000000xxx**

FUNDS ON HAND: **Dollar Amount**

1.	CDBG Advances Received to Date	
2.	ADD: Program Income and Other Receipts	
3.	Subtotal	
4.	LESS: Actual Disbursements	
5.	Federal Funds on Hand	
6.	Unpaid Requests Previously Submitted	

7. Grant Amount Awarded: $ $x,xxx,xxx

8. LESS: Total Amounts Requested: $ _____

9. BALANCE REMAINING: $ _____

ATTACH GRANT ACCT TRANSACTION AND WORKING ACCT TRANSACTION JOURNALS

Or Reimbursement Transactions Journal

SECTION III: CLASSIFICATION OF AMOUNTS REQUESTED

			AMOUNT
14A	Rehab, Single-Unit Residential	(XXXXX)	_____
21A	General Program Administration	(XXXXX)	_____
13	Direct Homeownership Assistance	(XXXXX)	_____
	TOTAL		

SECTION IV: CERTIFICATION

By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812).

Signature _____ **Date** _____

Signature _____ **Date** _____

DEHCR Countersignature _____ **Date** _____

CDBG-HOUSING PROGRAM DISBURSEMENT REGISTER (EXAMPLE)

CONTRACT #: H 17 - 25

	H-1	H-2	H-3	
ACTIVITY:	REHABILITATION (Includes: Homeownership Assistance, Rehabilitation: Single Unit and Multi-Unit Residential)	STREETS (Includes: Street repairs/resurface, street/storm drains, curb/gutter work)	ADMIN (Includes: general program administration)	TOTAL HOUSING BUDGET
BUDGET:	385,000	50,000	65,000	500,000

REQUEST NO.	DATE OF REQUEST				
1	5/19/17	-0-	20,000	2,000	22,000
BALANCE		385,000	30,000	63,000	478,000
2	6/12/17	11,345		1,500	12,845
BALANCE		373,655	30,000	61,500	465,155
3	8/15/17	10,000		3,000	13,000
BALANCE		363,655	30,000	58,500	452,155

CDBG-HOUSING PROGRAM DISBURSEMENT REGISTER

CONTRACT #: _____

	H-1	H-2	H-3	
ACTIVITY:	REHAB (Includes: Homeownership Assistance, Rehabilitation: Single Unit and Multi-Unit Residential)	STREETS (Includes: Street repairs/resurface, street/storm drains, curb/gutter work)	ADMIN (Includes: general program administration)	TOTAL HOUSING BUDGET
BUDGET:				

REQUEST NO.	DATE OF REQUEST				

GRANT ACCOUNT TRANSACTIONS JOURNAL

When making entries in this journal, report **only one entry in any one row** (i.e., receipt of CDBG funds, miscellaneous collection, or disbursement of CDBG funds). For every entry, the Federal Cash on Hand **must be shown**.

DATE	Enter the date of the transaction.
DESCRIPTION	Enter a description of the transaction.
DEPOSIT	If transaction is a deposit of grant funds, enter amount deposited.
MISC DEPOSIT	If transaction is a deposit of miscellaneous funds, enter amount deposited.
CHECK #	If a disbursement is made, enter check number.
AMOUNT	If a disbursement is made, enter amount of check.
H-1 – Rehabilitation	If disbursement is for contractor payments or downpayment/closing costs, enter amount of check.
H-2 – Streets	If disbursement is for streets project, enter amount of check.
H-3 – Admin.	If disbursement is for administrative costs, enter amount of check.
Payments to Date	Add amount entered in H-1, H-2, etc., to amount shown on previous line--to obtain total payments to date.
Federal Cash on Hand	If a deposit ADD amount of deposit to amount shown on previous line. If a disbursement, SUBTRACT amount of disbursement from amount shown on previous line.

Explanation of Sample Entries

On May 12, the Village wrote a $20.00 check for the CDBG Implementation Training Session. They knew they would be reimbursed after they made their first drawdown.

May 15 through June 2 additional village checks were written. On June 5, the CDBG program wrote a $1,225 check to reimburse the Village. Only the disbursement of $1,225 on June 5 is shown on the Grant Account Transactions Journal. The individual payments by the Village are recorded on the Reimbursement Request Form.

GRANT ACCOUNT TRANSACTIONS JOURNAL (EXAMPLE)

DATE	DESCRIPTION	GRANT DEPOSIT	MISC DEPOSIT	CHECK #	AMOUNT	H-1 Rehabilitation Payment	H-2 Streets Payment	H-3 Admin Payment	Payments to Date	Federal Cash on Hand
06/05/17	Drawdown #1	22,000.00								22,000.00
06/05/17	Reimburse Village			101	1,225.00			1,225.00	1,225.00	20,775.00
06/05/17	Toose Company			102	20,000.00		20,000.00		21,225.00	775.00
06/23/17	Drawdown #2	12,845.00							21,225.00	13,620.00
06/23/17	Ellie Phant			103	1,000.00			1,000.00	22,225.00	12,620.00
06/23/17	Demmo Graphics			104	100.00			100.00	22,325.00	12,520.00
06/23/17	Wisconsin Bell			105	50.00			50.00	22,375.00	12,470.00
06/23/17	Less Hassell Supply			106	125.00			125.00	22,500.00	12,345.00
06/26/17	Working Acct			107	7,845.00	7,845.00			30,345.00	4,500.00
07/11/17	Wells Fargo			108	3,500.00	3,500.00			33,845.00	1,000.00
08/29/17	Drawdown #3	13,000.00							33,845.00	14,000.00
08/29/17	Working Acct			109	10,000.00	10,000.00			43,845.00	4,000.00
08/29/17	Voided check #108		3,500.00						43,845.00	7,500.00
08/29/17	Ellie Phant			110	2,500.00			2,500.00	46,345.00	5,000.00
09/01/17	Real Title Company			111	3,500.00	3,500.00			49,845.00	1,500.00

GRANT ACCOUNT TRANSACTIONS JOURNAL

DATE	DESCRIPTION	GRANT DEPOSIT	MISC DEPOSIT	CHECK #	AMOUNT	H-1 Rehabilitation Payment	H-2 Streets Payment	H-3 Admin Payment	Payments to Date	Federal Cash on Hand

CDBG-HOUSING REIMBURSEMENT REQUEST FORM (EXAMPLE)

Date Paid	Payee	Voucher/ Invoice #	Paid With Check #	Amount Paid
5/12/17	Dept of Commerce—training		37028	$ 20.00
5/15/17	Liddle-Black Books, supplies	V009	37915	$ 175.00
5/16/17	Ellie Phant	V115	38125	$ 500.00
5/22/17	Mounte Bank – checks		38307	$ 30.00
6/2/17	Ellie Phant	V146	38927	$ 500.00
TOTAL AMOUNT TO BE REIMBURSED BY CDBG PROGRAM				$ 1,225.00

I hereby certify that these amounts have been paid by the municipality and the Amount Requested for Reimbursement is not in excess of **ATTACHED** paid invoices.

_____ _____

Signature (Local Official) Date

Attachments

NOTES:

TO BE FILLED IN BY CDBG PROGRAM ADMINISTRATOR **Check #** _____ **Date Paid** _____

CDBG-HOUSING REIMBURSEMENT REQUEST FORM

Date Paid	Payee	Voucher/ Invoice #	Paid With Check #	Amount Paid
TOTAL AMOUNT TO BE REIMBURSED BY CDBG PROGRAM				$

I hereby certify that these amounts have been paid by the municipality and the Amount Requested for Reimbursement is not in excess of **ATTACHED** paid invoices.

_____ _____

Signature (Local Official) Date

Attachments

NOTES:

TO BE FILLED IN BY CDBG PROGRAM ADMINISTRATOR	**Check #** _____	**Date Paid** _____

REHABILITATION OBLIGATION TRACKING JOURNAL (EXAMPLE)

Date	Loan Number	Amount (reduction)	RLF Deposit	Balance Available
H-1 BUDGET AMOUNT		→ → → → → → → →		385,000.00
RLF BALANCE		→ → → →	1,955.00	386,955.00
06/20/17	96-17		10,200.00	397,155.00
06/26/17	98-1	9,500.00		387,655.00
06/26/17	98-2	8,000.00		379,655.00
06/26/17	98-3	2,500.00		377,155.00
07/06/17	96-20		6,375.00	383,530.00
07/17/17	98-2	(1,500.00)		385,030.00
08/04/17	98-4	20,000.00		363,030.00

REHABILITATION OBLIGATION TRACKING JOURNAL

Date	Loan Number	Amount (reduction)	RLF Deposit	Balance Available
H-1 BUDGET AMOUNT		→ → → →	→ → → →	
RLF BALANCE		→ → → →		

WORKING ACCOUNT TRANSACTIONS JOURNAL (EXAMPLE)

					RLF Admin			RLF Project			Grant			TOTAL
Date	Description	Check #	Total Payment	RLF Deposit	Admin Deposit	Admin Payment	Admin Balance	Project Deposit	Project Payment	Project Balance	Deposit	Payment	Balance	PROJECT BALANCE
06/15/17	RLF Balance Forward			2,300.00	345.00		345.00	1,955.00		1,955.00			0.00	1,955.00
06/20/17	Loan 96-17 repaid			12,000.00	1,800.00		2,145.00	10,200.00		12,155.00			0.00	12,155.00
06/26/17	Draw #2 received				0.00		2,145.00	0.00		12,155.00	7,845.00		7,845.00	20,000.00
06/30/17	Interest			1.10	0.17		2,145.17	0.94		12,155.94			7,845.00	20,000.94
07/05/17	Sure-Lock Homes (98-2)	310	2,000.00		0.00		2,145.17	0.00		12,155.94		2,000.00	5,845.00	18,000.94
07/06/17	Loan 96-20 repaid			7,500.00	1,125.00		3,270.17	6,375.00		18,530.94			5,845.00	24,375.94
07/06/17	Watts-On Electric (98-2)	311	4,500.00		0.00		3,270.17	0.00		18,530.94		4,500.00	1,345.00	19,875.94
07/07/17	Steava Doors (98-1)	312	6,000.00		0.00		3,270.17	0.00	4,655.00	13,875.94		1,345.00	0.00	13,875.94
07/25/17	The Kitchens, Inc. (98-1)	313	3,000.00		0.00		3,270.17	0.00	3,000.00	10,875.94			0.00	10,875.94
07/31/17	Interest			2.32	0.35		3,270.51	1.97		10,877.91			0.00	10,877.91
08/01/17	Landlord Contribution (98-3)			2,500.00	375.00		3,645.51	2,125.00		13,002.91			0.00	13,002.91
08/03/17	Q. P. Dahl	314	500.00		0.00		3,645.51	0.00	500.00	12,502.91			0.00	12,502.91
08/15/17	Starr & Sons (98-4)	315	10,000.00		0.00		3,645.51	0.00	10,000.00	2,502.91			0.00	2,502.91
08/29/17	Draw #3 received				0.00		3,645.51	0.00		2,502.91	10,000.00		10,000.00	12,502.91
08/29/17	Hipp Roofing (98-4)	316	7,875.00		0.00		3,645.51	0.00		2,502.91		7,875.00	2,125.00	4,627.91
08/29/17	Back Doors (98-4)	317	1,500.00		0.00		3,645.51	0.00		2,502.91		1,500.00	625.00	3,127.91
08/29/17	Home Depot (98-4)	318	625.00		0.00		3,645.51	0.00		2,502.91		625.00	0.00	2,502.91
08/29/17	Interest			1.57	0.24		3,645.75	1.33		2,504.24			0.00	2,504.24
09/01/17	Hipp Roofing (98-3)	319	2,000.00		0.00		3,645.75	0.00	2,000.00	504.24			0.00	504.24

The Working Account Transactions Journal is used to record all housing rehabilitation (owner and renter) payments and deposits.

The Grantee may use up to 15% of repaid loans, loan payments, and interest earned for administration of the RLF.

WORKING ACCOUNT TRANSACTIONS JOURNAL

					RLF Admin			RLF Project			Grant			TOTAL
Date	Description	Check #	Total Payment	RLF Deposit	Admin Deposit	Admin Payment	Admin Balance	Project Deposit	Project Payment	Project Balance	Deposit	Payment	Balance	PROJECT BALANCE

The Working Account Transactions Journal is used to record all housing rehabilitation (owner and renter) payments and deposits.

The Grantee may use up to 15% of repaid loans, loan payments, and interest earned for administration of the RLF.

INDIVIDUAL OBLIGATION JOURNAL (EXAMPLE)

LOAN #:	1
NAME:	Q. P. Dahl
ADDRESS:	123 Common Place
LOAN AMOUNT:	$9,500
APPROVAL DATE:	6/26/07
LOAN TYPE:	0%, DPL

SOURCE OF FUNDS	
CDBG LOAN:	$9,500
CDBG GRANT:	
BORROWER CONTRIBUTION:	
OTHER:	

Date	Description	Obligation	Check #	Payment	Balance
6/30/17	Mortgage signed	9,500			9,500
7/07/17	Steava Doors		312	6,000	3,500
7/25/17	The Kitchens, Inc.		313	3,000	500
8/03/17	Q. P. Dahl		314	500	0

INDIVIDUAL OBLIGATION JOURNAL

LOAN #:	2
NAME:	Barb & Guy Wire
ADDRESS:	910 Hyer Court
LOAN AMOUNT:	$8,000
APPROVAL DATE:	6/26/07
LOAN TYPE:	0%, DPL

SOURCE OF FUNDS	
CDBG LOAN:	$8,000
CDBG GRANT:	
BORROWER CONTRIBUTION:	
OTHER:	

Date	Description	Obligation	Check #	Payment	Balance
6/30/17	Mortgage signed	8,000			8,000
7/05/17	Sure-Lock Homes		310	2,000	6,000
7/06/17	Watts-On Electric		311	4,500	1,500
7/17/17	Loan reduction			1,500	0

INDIVIDUAL OBLIGATION JOURNAL (EXAMPLE)

LOAN #:	3
NAME:	Harry & Hope Chest
ADDRESS:	2 Wonweigh Street
LOAN AMOUNT:	$2,500
APPROVAL DATE:	6/26/07
LOAN TYPE:	0%, 50:50

SOURCE OF FUNDS	
CDBG LOAN:	$2,500
CDBG GRANT:	
BORROWER CONTRIBUTION:	$2,500
OTHER:	

Date	Description	Obligation	Check #	Payment	Balance
6/30/17	Mortgage signed	2,500			2,500
8/01/17	Owner contribution	2,500			5,000
9/01/17	Hipp Roofing		319	2,000	3,000

INDIVIDUAL OBLIGATION JOURNAL

LOAN #:	4
NAME:	Phil & Delphia Penn
ADDRESS:	2599 Della Street
LOAN AMOUNT:	$20,000
APPROVAL DATE:	08/04/07
LOAN TYPE:	0%, DPL

SOURCE OF FUNDS	
CDBG LOAN:	$20,000
CDBG GRANT:	
BORROWER CONTRIBUTION:	
OTHER:	

Date	Description	Obligation	Check #	Payment	Balance
8/10/17	Mortgage signed	20,000			20,000
8/15/17	Starr & Sons		315	10,000	10,000
8/29/17	Hipp Roofing		316	7,875	2,125
8/29/17	Back Doors		317	1,500	625
8/29/17	Home Depot		318	625	0

INDIVIDUAL OBLIGATION JOURNAL

LOAN #: _____
NAME: _____
ADDRESS: _____
LOAN AMOUNT: _____
APPROVAL DATE: _____
LOAN TYPE: _____

SOURCE OF FUNDS	
CDBG LOAN:	
CDBG GRANT:	
BORROWER CONTRIBUTION:	
OTHER:	

Date	Description	Obligation	Check #	Payment	Balance

INDIVIDUAL OBLIGATION JOURNAL

LOAN #: _____
NAME: _____
ADDRESS: _____
LOAN AMOUNT: _____
APPROVAL DATE: _____
LOAN TYPE: _____

SOURCE OF FUNDS	
CDBG LOAN:	
CDBG GRANT:	
BORROWER CONTRIBUTION:	
OTHER:	

Date	Description	Obligation	Check #	Payment	Balance

LEAD-BASED PAINT TRAINING REIMBURSEMENT REQUEST SAMPLE FORM

FORM <u>MUST BE</u> PUT ON GRANTEE'S (MUNCIPALITY) LETTERHEAD

****

REIMBURSEMENT REQUEST FORM

The following individuals have attended a lead-based paint training course and have been certified and/or licensed to work on lead-based paint rehabilitation projects:

____
____
____
____

The Grantee would like to be reimbursed for the following amount: ________________________.

Enclosed is a copy of the certificate of completion and/or license for each person, along with a signed "Commitment to Work" on CDBG projects form. Attached is a copy of an invoice, cancelled check or receipt from trainer verifying costs paid.

The Grantee hereby certifies that this amount has been paid by the municipality and the Lead-Based Paint Training Reimbursement Guidelines have been followed.

____ ________________________________
Signature (Local Official) Date

Attachments: License and/or Certificate of Completion
Commitment to Work Form
Invoice, Cancelled Check or Receipt from Trainer

COMMITMENT TO WORK

I, _____ (contractor name)

am a _____ (type) contractor,

and do rehabilitation work in the _____ (municipality)

for the Community Development Block Grant (CDBG) program.

I took and completed the _____ (course) on _____ (date).

I understand that the _____ (municipality) will pay the course fee if I:

1. Obtain and maintain my certification for at least one year;

2. Agree to submit reasonable competitive bids to the _____ (municipality) for CDBG rehabilitation work for a period of at least one year from the date of this commitment; and

3. Agree that should I breach the terms of this commitment, I will reimburse the _____ (municipality)
the $_____ course fee, paid on my behalf.

I understand and agree to these terms. A copy of my certification license is attached.

_____ _____
Contractor Name Date

ATTACHMENT 1

RLF Rehabilitation Obligation Tracking Journal (Example)

DATE	DESCRIPTION	RLF PROJECT DEPOSIT	RLF LOAN AMOUNT (REDUCTION)	RLF AVAILABLE
4/01/17	Balance Forward			17,350.00
4/01/17	Interest Earned	24.65		17,374.65
4/14/17	Loan 96-12 Repaid	5,950.00		23,324.65
4/15/17	Loan 98-1		6,500.00	16,824.65
4/15/17	Loan 98-2		8,000.00	8,824.65
4/20/17	Loan Payment 96-7	106.25		8,930.90
4/28/17	Loan Reduction 98-2		(1,500.00)	10,430.90
5/11/17	Loan 98-3		7,000.00	3,430.90

ATTACHMENT 1

RLF Rehabilitation Obligation Tracking Journal

DATE	DESCRIPTION	RLF PROJECT DEPOSIT	RLF LOAN AMOUNT (REDUCTION)	RLF AVAILABLE

ATTACHMENT 2

RLF Accounting Journal (Example)

				RLF PROJECT			RLF ADMIN			
Date	Description	Check Number	Total Deposit	Project Deposit	Project Payment	Project Balance	Admin Deposit	Admin Payment	Admin Balance	TOTAL BALANCE
4/1/2006	Balance forward					17,626.75			6,527.82	24,154.57
4/5/2006	Fox Foundation (04-07)	2104		0.00	6,824.14	10,802.61			6,527.82	17,330.43
4/31/2006	Interest - April		15.09	12.83	0.00	10,815.44	2.26		6,530.08	17,345.52
5/2/2006	Joe Mo Legal Services	2105		0.00	0.00	10,815.44	0.00	138.00	6,392.08	17,207.52
5/10/2006	VOID	2106		0.00		10,815.44	0.00		6,392.08	17,207.52
5/10/2006	Reg of Deeds (04-07)	2107		0.00	13.00	10,802.44	0.00		6,392.08	17,194.52
5/25/2006	Loan 03-4 repaid		8,757.00	7,443.45		18,245.89	1,313.55		7,705.63	25,951.52
5/25/2006	UCL Consulting Serv	2108		0.00		18,245.89	0.00	300.00	7,405.63	25,651.52
5/31/2006	Interest - May		23.75	20.19		18,266.08	3.56		7,409.19	25,675.27
6/30/2006	Interest- June		24.98	21.23		18,287.31	3.75		7,412.94	25,700.25
7/6/2006	Conrad Const (04-07)	2109		0.00	8,445.00	9,842.31	0.00		7,412.94	17,255.25
7/6/2006	UCL Consulting Serv	2110		0.00	1,500.00	8,342.31	0.00	6,277.36	1,135.58	9,477.89
7/24/2006	#01-23 loan repaid		8,539.00	7,258.15		15,600.46	1,280.85		2,416.43	18,016.89
7/31/2006	Interest - July		16.13	13.71		15,614.17	2.42		2,418.85	18,033.02
8/31/2006	Interest - August		16.51	14.03		15,628.20	2.48		2,421.33	18,049.53
9/13/2006	Reg of Deeds (01-23) deed satisfaction	2111		0.00		15,628.20	0.00	13.00	2,408.33	18,036.53
9/18/2006	Loan payment (03-29)		250.00	212.50		15,840.70	37.50	0.00	2,445.83	18,286.53
9/18/2006	Loan 03-10 repaid		7,000.00	5,950.00		21,790.70	1,050.00		3,495.83	25,286.53
9/30/2006	Interest - Sept		24.13	20.51		21,811.21	3.62		3,499.45	25,310.66
10/2/2006	Reg of Deeds (03-10) deed satisfaction	2112		0.00		21,811.21	0.00	22.00	3,477.45	25,288.66
10/13/2006	Loan payment 03-03		120.00	102.00		21,913.21	18.00	0.00	3,495.45	25,408.66
10/13/2006	ULC Consulting Serv	2113		0.00		21,913.21	0.00	100.00	3,395.45	25,308.66
10/23/2006	Reg of Deeds - Records	2114		0.00	35.00	21,878.21	0.00		3,395.45	25,273.66
10/31/2006	Interest - Oct		23.00	19.55		21,897.76	3.45		3,398.90	25,296.66
11/10/2006	Advanced Heating (04-9)	2115		0.00	900.00	20,997.76	0.00		3,398.90	24,396.66
11/21/2006	Salary - Judy	2116		0.00		20,997.76	0.00	1,755.00	1,643.90	22,641.66

ATTACHMENT 2

RLF Accounting Journal

				RLF PROJECT			RLF ADMIN			
Date	Description	Check Number	Total Deposit	Project Deposit	Project Payment	Project Balance	Admin Deposit	Admin Payment	Admin Balance	TOTAL BALANCE

ATTACHMENT 3

Individual RLF Project Journal (Example)

LOAN#: 98-1 LOAN AMOUNT: $6,500.00
NAME: Q. P. Dahl APPROVAL DATE: 04/15/16
ADDRESS: 123 Common Place LOAN TYPE: 0%, DPL

BORROWER CONTRIBUTION: _____

DATE	DESCRIPTION	OBLIGATION	CHECK #	PAYMENT	BALANCE
4/16/17	Mortgage Signed	6,500.00			6,500.00
4/28/17	Steava Doors		312	3,000.00	3,500.00
4/29/17	The Kitchens Inc.		313	3,000.00	500.00
5/03/17	DAHL		314	500.00	0.00

Individual RLF Project Journal (Example)

LOAN#: 98-2 LOAN AMOUNT: $8,000.00

NAME: Barb & Guy Wire APPROVAL DATE: 04/15/16
ADDRESS: 910 Hyer Court LOAN TYPE: 0%, DPL

BORROWER CONTRIBUTION: _____

DATE	DESCRIPTION	OBLIGATION	CHECK #	PAYMENT	BALANCE
4/16/17	Mortgage Signed	8,000.00			8,000.00
4/25/17	Sure-Lock Homes		310	2,000.00	6,000.00
4/28/17	Watts-On Electric		311	4,500.00	1,500.00
4/28/17	Loan Reduction			1,500.00	0.00

ATTACHMENT 3

Individual RLF Project Journal

LOAN#: _____ LOAN AMOUNT: _____

NAME: _____ APPROVAL DATE: _____

ADDRESS: _____ LOAN TYPE: _____

BORROWER CONTRIBUTION: _____

DATE	DESCRIPTION	OBLIGATION	CHECK #	PAYMENT	BALANCE

INDIVIDUAL RLF PROJECT JOURNAL

LOAN#: _____ LOAN AMOUNT: _____

NAME: _____ APPROVAL DATE: _____

ADDRESS: _____ LOAN TYPE: _____

BORROWER CONTRIBUTION: _____

DATE	DESCRIPTION	OBLIGATION	CHECK #	PAYMENT	BALANCE

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

CERTIFICATE OF COMPLETION

A. Name of Grantee
B. Contract #

Program Activity by Budget Item (1)	CDBG Contract Budget (2)	Paid CDBG Costs (3)
TOTAL		

D. COMPUTATION OF GRANT BALANCE

		(To Be Completed by Grantee) Amount	**(To Be Completed by DEHCR)** Approved Amount
D.1.	Net funds drawn down		
D.2.	Program income and RLF		
D.3.	Equipment		
D.4.	Total funds received (D.1. + D.2. + D.3.)		
D.5.	CDBG funds applied to program (including program income and revolving loan fund money) .		
D.6.	Unpaid costs and unsettled third-party claims		
D.7.	Total expenditures (D.5. + D.6.)		
D.8.	RLF administrative funds retained		
D.9.	Refund to DEHCR (D.4. minus D.7. minus D.8.*) .		
D.10.	CDBG contract budget		
D.11.	Funds not drawn down (D.10. minus D.1.)		
D.12.	Unutilized grant funds to be cancelled (D.10. + D.12.)		

* If D.9. is less than $5,000, see instructions for line D.9.

E. UNPAID COSTS AND UNSETTLED THIRD-PARTY CLAIMS

$ _____ rehabilitation
$ _____ homebuyer assistance
$ _____ administration
$ _____ other: (describe) _____
_____

F. USE OF PROGRAM INCOME AND REVOLVING LOAN FUNDS

$ _____ rehabilitation
$ _____ homebuyer assistance
$ _____ administration
$ _____ other: (describe) _____
_____

G. SUBMISSION OF FINAL WAGE COMPLIANCE REPORTS

Final Wage Compliance Report for **each prime contract that is part of a project subject to Davis-Bacon regulations**. ☐ Attached ☐ N/A

Check one:

H. ☐ Response to audit findings is attached.

☐ There were no audit findings.

☐ Single audit not yet received.

I. All lobbying certification forms have been collected from contractors/sub-grantees requesting or receiving over $100,000. ☐ Attached ☐ N/A

J. CERTIFICATION OF GRANTEE

It is hereby certified that all activities undertaken by the Grantee with funds provided under the contract identified in B. above, have, to the best of my knowledge, been carried out in accordance with the contract; that proper provision has been made by the Grantee for the payment of all unpaid costs and unsettled third-party claims identified in E. above; and that every statement and amount set forth in this instrument is, to the best of my knowledge, true and correct as of this date.

Date	Typed Name and Title of Grantee's Chief Executive Officer	Signature of Grantee's Chief Executive Officer

K. DEHCR APPROVAL

Date	Typed Name and Title of DEHCR Authorized Official	Signature of DEHCR Authorized Official

PROGRAM BENEFICIARIES DATA SHEET

	LOAN DATA		BENEFICIARIES					INCOME LEVEL								
Date Mortgage Signed	Loan Number	Loan Amount	RACE	FHOH	PD	E	H	MI	LI	VLI	Own	Rent	Home Buyer	LI Benefit Amount	HQS	**LBP**

R A C E

A – White
B – Black/African American
C – Asian
D – American Indian/Alaskan Native
E – Native Hawaiian/Other Pacific Islander
F – American Indian/Alaskan Native & White
G – Asian & White
H – Black/African American & White
I – American Indian/Alaskan Native & Black/African American
J – Balance of Other

FHOH – Female Head of Household
PD – Households with Persons with Disabilities
E – Elderly
H - Hispanic
LBP – Lead-Based Paint

QUARTERLY REPORT INSTRUCTIONS

All Grantees must submit a progress report to DOA/DEHCR on a **quarterly** basis. The report will consist of: the Beneficiaries / Applicants Report, the Accomplishments Report, current Grant Account Transactions Journal, current Working Account Transactions Journal (Reimbursement Transactions Journal is applicable) and if applicable, the MBE/WBE Report, the Fair Housing Actions and Section 3 report. **ONE** copy of the report must be submitted to DOA/DEHCR no later than ten (10) working days after the end of each calendar quarter.

A. BENEFICIARIES AND APPLICANT REPORT

DOA/DEHCR will send a BENEFICIARIES / APPLICANT REPORT page with Grantee name, contract number, reporting period and program activities filled in.

1. If any of the following activities applied to your program during the reporting period, please provide appropriate information.

   Leveraged Funds: indicate the amount of public and private funds leveraged for the reporting period.

   - When reporting PUBLIC funds, include money that is actually 'government' money, e.g., HCRI funds, HOME funds, funds from a CAP agency, or if a city, town, village, or county would contribute money to the program.

   - When reporting PRIVATE funds, include such funding sources as a first mortgage with a bank (for homebuyer projects), homeowner contributions for rehabilitation projects or downpayment amounts (for homebuyer projects).

   Handicap Accessibility: indicate how many households involved handicap accessibility improvements (i.e., making the household handicap accessible) during the reporting period.

   Faith-Based Activities: indicate any partnership(s) formed during the course of the grant contract with any faith-based organization and the number of units involved.

2. **PROGRAM BENEFICIARIES AND APPLICANTS**: For each contract budget item and activity, list the total number of program beneficiaries **AND** applicants for the quarter.

   Program Beneficiaries: Enter data for each beneficiary **after** loan agreement has been signed or committee approval has been received. Indicate, in the appropriate box, the number of households receiving loans that are: VLI, LI, MI, minorities, female-headed households, or other protected classes, e.g., handicapped, elderly, or families with children.

   Applicants: Enter data for each application received. Indicate, in the appropriate box, the number of applications received and whether they are minorities, female-headed households, or other protected classes, e.g., handicapped, elderly, or families with children. This number should include funded applicants and unfunded applicants.

B. ACCOMPLISHMENTS REPORT

DOA/DEHCR will send an ACCOMPLISHMENTS REPORT page with grantee name, contract number, reporting period and contract timetable activities filled in. In the space provided, indicate the number of units brought up to **Section 8 HQS** during the quarter, even if that number is 0.

1. If any of the following activities applied to your program during the reporting period, please check YES or NO, and provide appropriate documentation where applicable.

   MBE/WBE: If you contracted or subcontracted with a MBE/WBE during this reporting period, please fill out **and** attach a copy of the MBE/WBE Report.

   Fair Housing Actions: If you undertook any actions to affirmatively further fair housing during the reporting quarter, please complete Fair Housing page and provide documentation to verify actions. Your contract specifies the minimum fair housing activities to which you are committed.

   Section 3 Report: Report any actions taken to ensure that employment, and other economic activities generated by this program, were directed toward low- and moderate-income people (below 80% of county median income).

2. **ACCOMPLISHMENTS REPORT**. Complete the Accomplishments Report for all activities completed during the quarter

   "Activities" means grants awarded and/or completion of administrative requirements (e.g., request Davis-Bacon wage rates, submit Quarterly Report, hold citizen participation meeting, etc.).

   Column #2:

   Answer questions and/or fill in blanks regarding all **activities completed during the quarter**. Activities, which were accomplished during the quarter, but were not listed in the contract timetable, should be listed at the bottom of column #2.

   Column #3:

   List the **total number of units assisted to date**.

   Column #4:

   Add any **comments** which may be applicable to the activities accomplished during the quarter, or activities which are anticipated to be completed during the next quarter.

BENEFICIARY / APPLICANTS REPORT

GRANTEE: _____

CONTRACT NUMBER: _____

REPORTING PERIOD: _____ to _____

LEVERAGED FUNDS: How much money was leveraged during the contract period: public funds leveraged? $_____
private funds leveraged? $_____

HANDICAP ACCESSIBILITY: How many units involved handicap accessibility improvements during the contract period? _____

FAITH-BASED: Number of units that involved a "faith-based" organization (e.g., local church, Habitat). _____

PROGRAM BENEFICIARIES

Activity	Total Results	Income Level				RACE*													
		%CMI 0-30	%CMI 31-50	%CMI 51-80	%CMI 81-100	A	B	C	D	E	F	G	H	I	J	FHOH	PD	E	H
Rehab - Owner-Occupied (w/lead)																			
Rehab - Owner-Occupied																			
Rehab - Renter-Occupied (w/lead)																			
Rehab - Renter-Occupied																			
Homebuyer (w/lead)																			
Homebuyer																			

* ALL APPLICANTS

Activity	Total Results	RACE*													
		A	B	C	D	E	F	G	H	I	J	FHOH	PD	E	H
Rehab - Owner-Occupied															
Rehab - Renter-Occupied															
Homebuyer															

*R A C E

A – White
B – Black/African American
C – Asian
D – American Indian/Alaskan Native
E – Native Hawaiian/Other Pacific Islander
F – American Indian/Alaskan Native & White
G – Asian & White
H – Black/African American & White
I – American Indian/Alaskan Native & Black/African American
J – Balance/Other

FHOH – Female Head of Household
PD – Households with Persons with Disabilities
E – Elderly (>62)
H – Hispanic

ACCOMPLISHMENTS REPORT

GRANTEE: _____ CONTRACT # _____ NUMBER OF UNITS MEETING HQS: _____

REPORTING PERIOD: _____ to _____

MBE/WBE:	Did you contract with any MBE/WBE contractors/subcontractors during this quarter?.	Yes_____ No____	If yes, please attach MBE/WBE reporting form
FAIR HOUSING	Did you undertake any Fair Housing activities during this quarter?	Yes _____ No ____	If yes, please attach Fair Housing reporting form and documentation.
SECTION 3	Did you take any actions to promote employment of low- and moderate-income people?	Yes _____ No ____	If yes, please attach Section 3 report.

(1)	(2)	(3)	(4)
FROM CDBG CONTRACT TIMETABLE FOR THE REPORTING QUARTER	ACTIVITIES COMPLETED DURING REPORTING QUARTER	TOTAL COMPLETED TO DATE	COMMENTS
	Amount committed this quarter: $_____ ____ owner-occupied units ____ renter-occupied units ____ homebuyer units	Amount committed to date: $_____ ____ owner-occupied units ____ renter-occupied units ____ homebuyer units	

I hereby certify that to the best of my knowledge and belief the data in this report are true and correct.

Signature of Person Preparing Report: _____

Wisconsin Department of Administration
Division of Energy, Housing and Community Resources

MBE/WBE REPORT *(Minority Business Enterprise/Women Business Enterprise)*

DEHCR Program Name _____

Grantee: _____

Reporting Period: _____ **to** _____

See page 2 for lists of codes to use for this table.

Grant/Project Number	MBE/WBE Contract Amount	Type of Trade	Contractor/ Subcontractor Business		Woman Owned Business (Yes or No)	Contractor/ Subcontractor (FEIN) Identification Number (FEIN)	Contractor/Subcontractor Name and Address
			Race	Ethnic Code			

This report is to be completed by grantees, developers, sponsors, builders, agencies, and/or project owners to report minority-and women-owned contract and subcontract activities associated with DEHCR programs. Include only contracts executed during this reporting period.

Grant/Project Number: Use the number received from DEHCR.

MBE/WBE Contract Amount: Put in whole dollar amount of the MBE/WBE contract.

Type of Trade:

1 – New Construction
2 – Substantial Rehabilitation
3 – Repair
4 – Service
5 – Project Management
6 – Professional
7 – Tenant Services
8 – Education/Training
9 – Architectural/Engineering Appraisal
10 – Other

Contractor/Subcontractor Business Racial /Ethnic Code:

RACE		ETHNICITY
A – White	**F** – American Indian/Alaskan Native & White	**K** – Hispanic
B – Black/African American	**G** – Asian & White	**L** – Hasidic Jew
C – Asian	**H** – Black/African American & White	
D – American Indian/Alaskan Native	**I** – American Indian/Alaskan Native & Black/African American	
E – Native Hawaiian/Other Pacific Islander	**J** – Balance/Other	

Women Owned Business:

Y = Yes
N = No

Contractor Identification Number

Enter the Federal Employer Identification Number (FEIN)

Contractor/Subcontractor Name and Address

Enter the full business name of the contractor/subcontractor; also enter the mailing address, indicating if this is a contractor or subcontractor

C = Contractor
S = Subcontractor
Line 1 = Name
Line 2 = Street or PO Box, City, State, Zip code

Example (for a contractor):
C – ABC Construction
PO Box 1234, Somewhere, WI 54444-1234

GRANTEE: _____

CONTRACT NUMBER: _____

REPORTING PERIOD: from _____ to _____

FAIR HOUSING

All CDBG Grantees are required to initiate Affirmative Fair Housing Actions in conjunction with the expenditure of CDBG funds. Please report on any Fair Housing actions taken during the reporting quarter. A nonexclusive list of suggested affirmative fair housing actions can be found elsewhere in this CDBG Implementation Handbook. Which fair housing affirmative action did your community exercise? If no action has been implemented, what actions are planned? Please describe the planned action and when it is expected to be initiated.

WISCONSIN DIVISION OF ENERGY, HOUSING AND COMMUNITY RESOURCES

SECTION 3 REPORT

(to be completed quarterly)

COMPLETE A SEPARATE REPORT FOR EACH CONTRACT.

GRANTEE: _____

CONTRACT #: _____

REPORTING PERIOD: _____ TO _____

PART 1

ALL RECIPIENTS MUST COMPLETE THIS PART.

Check all that apply	Activity
	We attempted to recruit low-income residents for job openings (using local advertising, signs at project site, contacts with community organizations or private agencies operating within the area of service, or similar methods).
	We participated in a HUD program or other program that promotes the training or employment of low-income residents.
	We participated in a HUD program or other program that promotes the award of subcontracts to “Section 3 businesses.”
	We coordinated with Youthbuild programs administered in our area of service.

MANUAL UPDATES:

Date	Page	Chapter - Additions and Updates
09/6/17	Pg. 78	Chapter M Emergency Assistance Program Updated the EAP mobile home replacement policy to require homeowner to have insurance 5 yrs. affordability period and failure to maintain and if another event occurred, the homeowner would be ineligible during that 5-year period.

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