

THE STATE OF WISCONSIN'S
COMMUNITY DEVELOPMENT BLOCK
GRANT PROGRAM
FOR SMALL CITIES

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CDBG 101
COMMUNITY DEVELOPMENT BLOCK GRANT REQUIREMENTS

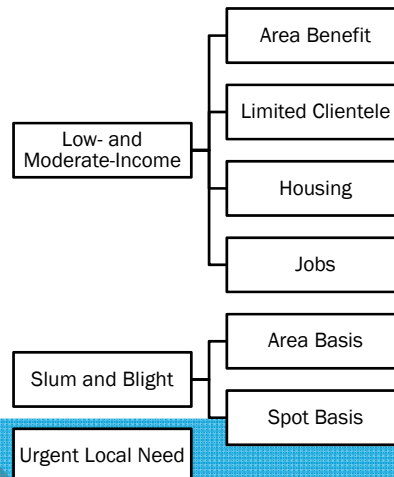
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COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM

1. Administered by the U.S. Department of Housing and Urban Development (HUD)
2. Use of CDBG funds must meet one of three National Objectives:
 - Low- and moderate-income benefit (LMI)
 - Removal of slum and blight
 - Urgent local need
3. LMI Threshold = <80% of county median income and be an eligible activity

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ALL CDBG PROJECTS MUST MEET 1 OF 3 NATIONAL OBJECTIVES:



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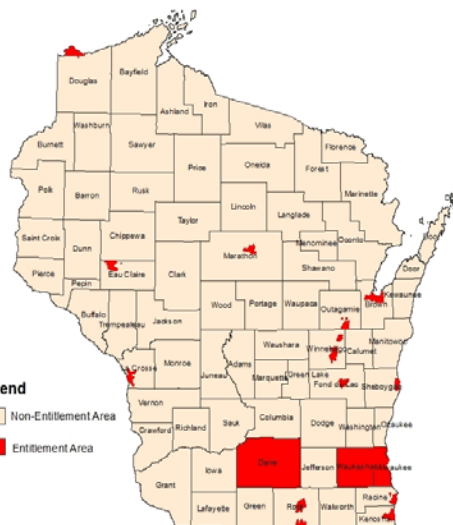
STATE'S SMALL CITIES CDBG PROGRAM

- The Small Cities CDBG program awards funds to local governments in **non-entitlement** areas of the State of Wisconsin

Local Government applicants include:

- Small Cities (<50K residents),
- Incorporated Towns,
- Villages, and
- Non-urban Counties

CDBG Entitlement and Non-Entitlement Areas



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BUREAU OF COMMUNITY DEVELOPMENT PROGRAMS

Public Facilities (PF)

- Public infrastructure improvements to benefit 51% LMI, remove slum and blight
- Examples: water systems, sewer systems, streets, fire stations, community centers, senior centers, libraries

Economic Development (ED)

- Examples: Business loans to expand facilities or purchase equipment, job training
- Businesses must hire low- and moderate-income employees (51%)

Public Facilities for Economic Development (PFED)

- Public Infrastructure that supports business expansion or retention
- Examples: New water/sewer that facilitates a business expansion, road leading to new business

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BUREAU OF COMMUNITY DEVELOPMENT PROGRAMS (CONT'D)

Planning Grants (PLNG)

- For community-wide and site-specific planning and strategic development activities that:
 - address economic conditions such as assisting small business and responding to business closings
 - must address slum and blight or low- and moderate-income benefit

Rural Economic and Area Development Initiative (READI)

- Provide economic development investment in a local government or rural region
- Must benefit LMI need through job creation and rehabilitation/creation of workforce housing

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ECONOMIC DEVELOPMENT
COMMUNITY DEVELOPMENT BLOCK GRANT REQUIREMENTS

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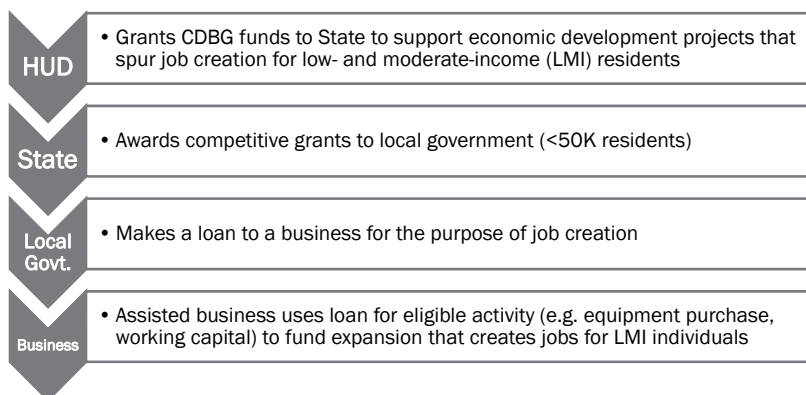
CDBG – ECONOMIC DEVELOPMENT PROGRAM

Grants to communities, **loans** to businesses

Examples:

- Support Economic Development
- Job Creation
- Job Training
- Purchase of Equipment
- Construction and Expansion of Facilities

ED AWARD PROCESS



ED PROGRAM REQUIREMENTS

Project timeline

- 24 month project period
- Up to 2 years for creation of jobs

Maximum award: \$1,000,000

Maximum award/job: \$35,000

Interest rate: 1%

Loan term: Repay in 5 years

Eligible use of funds by business:

- purchase equipment, provide working capital, acquisition, building

Match Required:

- 50%, can be from business, financial institution, economic development agency, other grants or loans

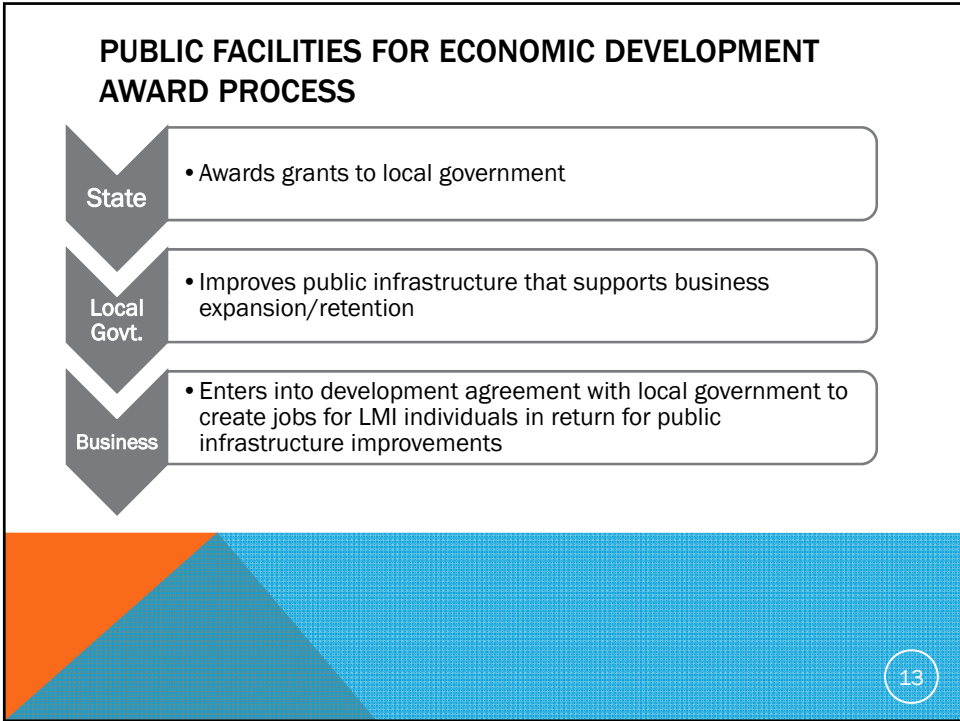
Underwriting: The loan must be secured with collateral

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PUBLIC FACILITIES FOR ECONOMIC DEVELOPMENT

COMMUNITY DEVELOPMENT BLOCK GRANT REQUIREMENTS

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PFED PROGRAM REQUIREMENTS

Project timeline

- 24 month project period
- 24 months to create jobs

Maximum award: \$500,000 (grant)

Maximum award/job: \$35,000

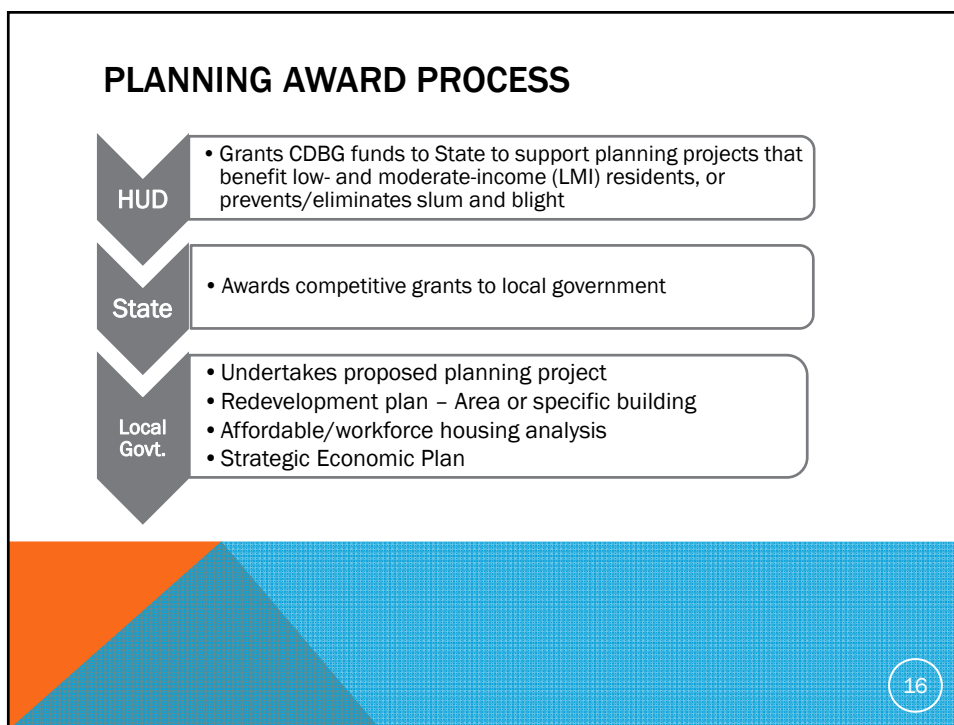
Eligible use of funds:

- Grant to fund municipal infrastructure improvements

Match Required:

- 50%, can be from business, municipality, and other grant/loan programs

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PLNG PROGRAM REQUIREMENTS

Plans should address major local economic or community development proposals or unexpected economic activities that adversely impact the community

Not less than 90% of funds must benefit LMI residents

Maximum award:

- \$25,000 for Community-Wide Plan
- \$15,000 for Site-Specific Plan

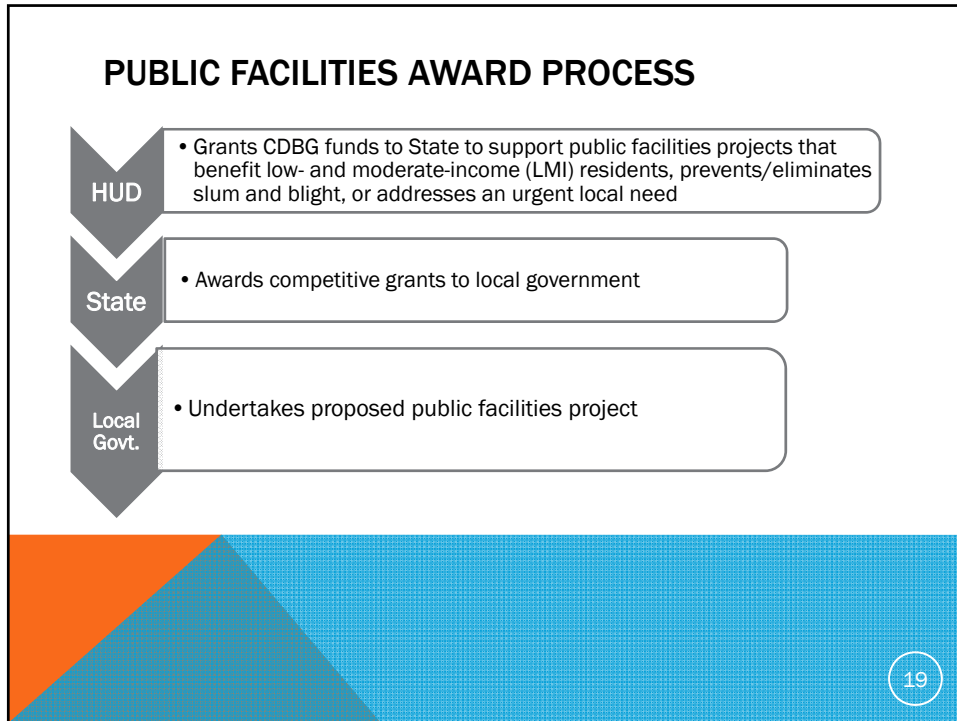
- Applications due in May 2017

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PUBLIC FACILITIES PROGRAM

COMMUNITY DEVELOPMENT BLOCK GRANT REQUIREMENTS

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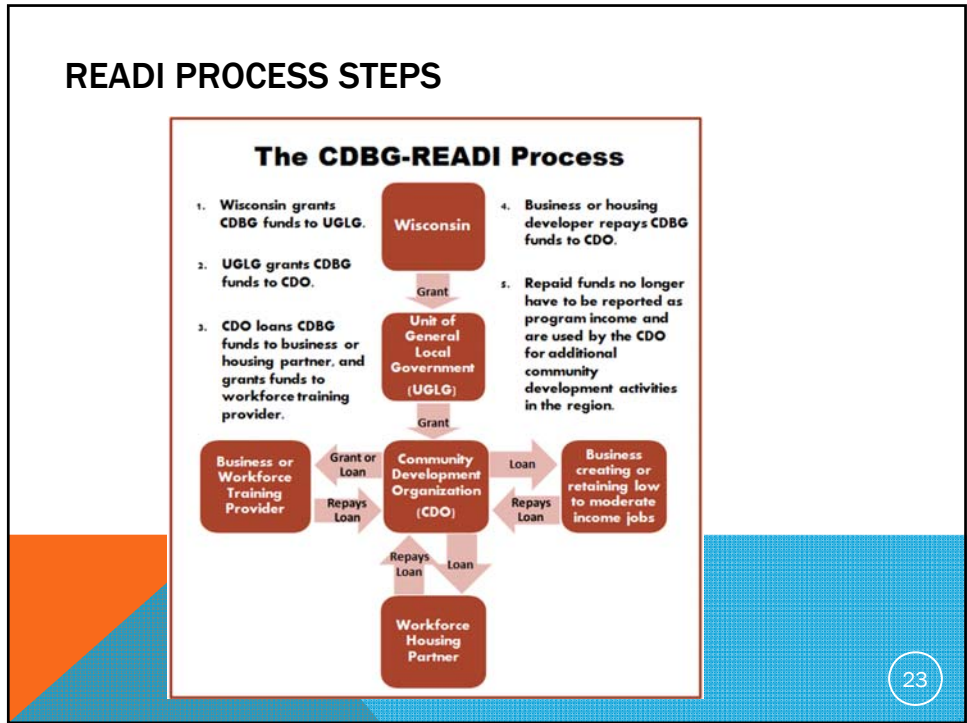
- ## PF PROGRAM REQUIREMENTS
- Project timeline
 - 24 months to complete project
 - Maximum award:**
 - \$500,000
 - Award is a grant to municipality
 - Eligible use of funds: water system, sanitary sewer system, wells, reservoirs, streets, storm sewer, blight elimination, fire station, library, senior center, community center.
 - Match required: 50%
 - Applications due in May 2017
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READI PROGRAM SUMMARY

- The READI application is only for non-entitlement Units of General Local Government (UGLG) applicants that intend to grant the award funds to Community Development Organizations.
- The CDO certification process is identified in the READI application.
- READI uses CDBG funding to provide targeted economic development investment in either a single unit of general local government or a rural region.
- \$10 million has been allocated for Program Year 2016 to capitalize the READI program.
- CDBG funding requires that all projects must meet one of three National Objectives; however, under READI all projects must benefit persons of low- and moderate-income (LMI).

READI PROCESS STEPS



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READI PROGRAM SUMMARY (CONT'D)

- All READI applications must include an economic development project as well as housing project. Applicants are encouraged to include a jobs training component as well.
- Economic Development: (Required) Loans of up to \$500,000 in exchange for low- and moderate-income job creation.
- Workforce Housing: (Required) Loans of up to \$300,000 to rehabilitate or create workforce housing near the economic development project. CDBG funds cannot be used for new construction of residential units.
- Job Training: (Optional) Grants or loans of up to \$200,000 to train workers to step into new jobs directly associated with the economic development project.

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RELEVANT WEBSITE LINKS

DOA – Division of Energy, Housing and Community Resources Bureau of Community Development:

<http://www.doa.state.wi.us/Divisions/Housing/Bureau-of-Community-Development>

HUD guidance on CDBG National Objectives and Eligible Activities:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/comm_unitydevelopment/library/stateguide