



5 Year Strategic Plan

This document includes Narrative Responses to specific questions that grantees of the Community Development Block Grant, HOME Investment Partnership, Housing Opportunities for People with AIDS and Emergency Shelter Grants Programs must respond to in order to be compliant with the Consolidated Planning Regulations.

GENERAL

Strategic Plan

Wisconsin's 5-Year Consolidated Plan process represents significant planning and application efforts by the State to secure federal funds earmarked to meet the critical housing, community and economic needs of the State's citizens. The funds, which in a typical year total \$47 million, are available through four formula grant programs of the US Department of Housing and Urban Development (HUD). The **2010-2014 Consolidated Plan** is effective from April 1st, 2010 through March 31st, 2015. The Plan is the State's application to HUD for the Small Cities Community Development Block Grant (CDBG), Home Investment Partnership Program (HOME), Emergency Shelter Grants (ESG), and Housing Opportunities For Persons With AIDS (HOPWA).

Mission Statement:

Assist Wisconsin governments, businesses, and non-profit agencies to build and sustain quality communities and create economic opportunities by facilitating locally driven solutions to develop and improve community infrastructure, address affordable housing and homeless needs, and foster economic growth and job creation and retention.

General Information

CDBG -Commerce does not typically award CDBG funds in entitlement communities (See Appendix A) that receive CDBG funds from HUD directly.

CDBG Housing Program - By administrative rule, funds are awarded to the neediest units of local government based, in part, on geographic regions. These five regions are balanced out based on the applications received and approximate number of LMI households (excluding CDBG entitlement cities and counties). DCD will review and revise the regions annually, if necessary, to address the State's identified housing needs.

CDBG Non-housing Programs - The State does not use a geographic distribution plan. Applications are reviewed and funded with those projects and areas that will have a significant impact or make a substantial contribution to enhancing the overall economic well-being of the State receiving priority. In special cases, CDBG funds may be used in entitlement areas if a project can document significant regional or statewide impact benefiting low- to moderate-income persons.

HOME - Commerce does not award HOME funds in Participating Jurisdictions (see Appendix B) that receive HOME funds directly from HUD.

- Rental rehabilitation funds, primarily distributed through the Rental Housing Development program, are awarded statewide on a competitive basis.
- Owner rehabilitation and accessibility funds, rental housing development funds, WI Fresh Start, and homebuyer funds are awarded statewide on a competitive basis.
- A portion of HOME funds is set-aside for WHEDA's low-income housing tax credit (LIHTC) projects.

ESG - In Wisconsin, Commerce and the cities of Madison, Milwaukee and Racine receive ESG funds from HUD directly. Commerce funds are distributed on a formula basis, using indicators of the potential risk of homelessness, to the three county groupings described in Appendix C. The percentages of funding, currently 40% Milwaukee Metro, 40% Other Metro, and 20% Balance of State, may be adjusted with changes in census data.

HOPWA - Commerce ensures, through its contract with Aids Resource Center of Wisconsin (ARC-/W), that full coverage in the 66 counties outside of the Milwaukee metropolitan area and Pierce and St. Croix counties will occur.

LBP - Commerce funds Lead-Based Paint Hazard Control contracts in various parts of the state.

State Resources

By statute, Commerce distributes state funds for:

- rental, homeowner, homebuyer and transitional housing assistance on a formula basis, approximately in thirds, to the three county groupings described in Appendix C.
- state shelter operations by statute and a formula based on actual shelter use that is adjusted annually.

Obstacles:

- Limited funds available to meet the funding amounts requested. Applications received for HUD formula grant funded programs exceed available resources by 2 to 4 times with the Small Cities CDBG-Housing application requests exceeding available funds by over 12 times.
- Limited capacity of housing organizations in some areas of the state. With budget cut-backs and operating cost increases, there are insufficient resources to fund staff and operations at a level to continue core activities in some areas. This is compounded by the stagnant and sometimes decreasing amount of administrative funds that Commerce programs can provide to local grantees running these programs.

Managing the Process

The Wisconsin Department of Commerce is the agency responsible for developing the Consolidated Plan and its related documents since it administers all four U.S. Department of Housing and Urban Development (HUD) formula programs covered by the Plan.

The Plan is submitted to HUD using the CPMP tool (an electronic template developed and supported by HUD Field Office staff). The Plan incorporates the HUD outcome measurement system, consisting of overarching objectives, outcome categories and output indicators, that significantly improves reporting program benefits to Congress and the OMB.

Input into the development of the Consolidated Plan involved State agencies, including the Department of Administration (DOA); Department of Children and Families (DCF); Department of Corrections (DOC), Department of Health Services (DHS); Department of Public Instructions (DPI), Department of Workforce Development (DWD); Department of Veterans Affairs (DVA); and the Wisconsin Housing and Economic Development Authority (WHEDA); non-profit affordable housing agencies and providers, homeless agencies and advocates, local governments, special needs organizations and groups, statewide and regional community and economic development organizations, and citizens.

Citizen Participation

The State has consulted with a wide range of public, private and non-profit agencies in preparation of the Consolidated Plan. The State provided an extensive participatory process, which included a well publicized comprehensive online survey with 157 individuals and organization/agency responses, numerous individual and group meetings, and the receipt of several written comments from state agencies and state-wide/regional organizations for the 2010-2014 Plan.

On February 12 and 22, 2010, Commerce published a notice in the Wisconsin State Journal regarding the public hearing being held on February 26, 2010. No individuals registered at the public hearing. On February 26, 2010, Commerce published a notice in the Wisconsin State Journal regarding the 30 day public comment period for the draft Plan that was available on the Commerce website. Commerce provided a reasonable number of free copies of the Plan, including making copies available at all major libraries; and took other actions to ensure that citizen voices were heard in the process.

Throughout the Consolidated Planning process Commerce has received extensive input. See Appendix F for a summary of comments received.

During the 2010-2014 Consolidated Plan time period, any substantial amendments to the Plan and performance reports will be subject to public review, as well.

Institutional Structure

Department of Commerce housing, community and economic development programs will be undertaken in compliance with the statutes and administrative rules that establish the framework of of state agency programs.

In addition to working directly with units of local government, economic development agencies and organizations, housing programs work with community housing development organizations (CHDOs), nonprofit agencies and tribal authorities. Activities with private sector partners will also be encouraged. The State will continue to support and train local housing and homeless service sponsors,

encourage local and regional consortia of housing and service providers, and work with intermediaries to providing technical assistance to grantee agencies.

Monitoring

In administering grant programs, Commerce monitors all grantees receiving CDBG, HOME, ESG, HOPWA and State funds to ensure that statutory and regulatory requirements are met and that information submitted to Commerce is correct and complete. Commerce's practice is to monitor each grantee at least once during the term of its contract. Monitoring may be on-site reviews, desk reviews of routine or special performance reports, or through the submission of a self-monitoring checklist and supporting documentation. Commerce continues to use a risk assessment tool to evaluate grantee performance factors and determine the appropriate level of monitoring. Monitoring includes staff verification of program requirements, such as the procedures used to administer funds locally, LMI benefit, and the quality of construction and rehabilitation work

Priority Needs Analysis and Strategies

Assigned priorities are based on the Needs Analysis attached and the comments and input received as a result of the online survey, meetings, roundtable, and solicitations to key state agencies and organizations, local units of government and grant recipients. With some modifications, the State's priorities from the 2005-2009 Consolidated Plan continue to be priorities for the 2010-2014 Consolidated Plan. Modifications include more emphasis on activities addressing residential foreclosures and homeless prevention, and promoting visitability and universal design, energy efficiency, green building and use of non-toxic materials, and supporting shared-appreciation housing models such as land trusts.

The focus of activities and strategies is on the evolving needs of extremely low-, low- and moderate-income persons, including persons with special needs. A central theme throughout programs is the development of strategies offering flexibility with accountability. The response to the identified housing and community development priority needs must be broad-based and sensitive to local markets that are both economically and geographically diverse.

Lead-based Paint

According to the Environmental Health Perspectives study The Prevalence of Lead-Based Paint Hazards in U.S. Housing (October 2002), approximately 36% of the housing in the Northeast and Midwest have lead-based paint hazards. Housing occupied by families with an annual household income at or below \$30,000/year is almost twice as likely to have lead-based paint hazards than households with annual incomes above \$30,000. Rental housing units have a 23% higher prevalence of lead-based paint hazards compared with owner-occupied units. The estimated number of housing units in Wisconsin that contain lead-based paint hazards occupied by income and housing type are:

Extremely low-income families -	Renter 78,393	and	Owner 33,920
Low-income families -	Renter 68,606	and	Owner 54,250
Moderate-income families -	Renter 97,566	and	Owner 116,080

COMMERCE programs address the rehabilitation of existing units in order to improve energy efficiency, to bring housing into code compliance, and to preserve the quantity of low-income housing in the state. These rehabilitation programs include:

CDBG: Rehabilitation focuses on major systems such as roofs, electrical wiring, heating, plumbing, foundations and structural members, wells, and septic systems. In addition, the program repairs or replaces siding, doors, and windows to reduce lead-based paint hazards.

HOME: Rehabilitation of both rental and owner-occupied units. Rental property owners receive a low-interest loan for the cost of repairs in exchange for agreeing to rent to eligible households for the period of affordability. Homeowners receive funds for making essential improvements in conjunction with weatherization services provided. Improvements must total a minimum of \$1,000 per unit and not exceed the maximum subsidy limit that HUD sets on a county-by-county basis.

Lead Based Paint Hazard Reduction: Supported through a HUD Lead-Based Paint Hazard Control grant. The Department program provides for two levels of service: outreach/education, and lead hazard reduction. Both owner- and renter-occupied housing units are eligible.

Commerce, the Department of Housing and Urban Development, and the Division of Public Health (Department of Health Services) will work together to offer training to interested parties.

HOUSING

Housing Needs

From 2000 to 2008, Wisconsin experienced fairly small changes in the composition of the state's racial and ethnic groups. Although the number of white residents of the state increased, they decreased 1.41% as a percentage of the State's total population. American Indians also experienced a decline both as a percentage of the total population and in absolute number. Hispanics now make up almost 5% of the state's residents, up 1.07 percentage points in 2000.

However, when entitlement cities and counties are not included, the demographics are quite different from the overall State population. For the CDBG-Wisconsin State Program area, 95.50% of the population is White, 0.79% is Black or African American, 1.03% is American Indian or Alaska Native, 0.91% is Asian, 0.02% is Native Hawaiian or other Pacific Islander, 0.82% identifies as some other race, 0.92% are of two or more races, and 2.06% are Hispanic or Latino of any race.

Commerce follows HUD's State Con Plan guidelines, in deeming that disproportionately greater need exists when the percentage of persons in a category of need who are members of a particular racial or ethnic group is at least 10 percentage points higher than the percentage of persons in the category as a whole.

The chart below extracts the racial/ethnic disparity by group for households with

50% or less MFI (the areas of high priority for assistance for DHCD funds) from the Racial Disparity Chart. Because of the low percentage of race/ethnicity in the non-metro areas of the State, these households of disproportionately greater need make up only 3.76% of the total priority households and are scattered throughout the State. Commerce encourages communities and organizations receiving funds for housing assistance to create program materials in appropriate forms and advertise and promote their programs in locations that will best alert these households to the opportunities for housing assistance.

Housing Problems - Disparity by Racial/Ethnic Group							
	Total Priority Households	non-White	Latino	Asian	African American	Pacific Islander	Native American
<=30% MFI Renter	103,829					10	
31-50% MFI Renter	72,812			1,574		10	
<=30% MFI Owner	56,220			475		10	
31-50% MFI Owner	53,347	4,540	1,195	530	2,395	10	
Total	286,208	4,540	1,195	2,579	2,395	40	0
R/E Group Total							10,749 3.76%

Priority Housing Needs

To address the wide variety of critical needs to expand affordable housing opportunities, resources will be directed to projects that:

- Improve affordable rental housing opportunities for extremely low-, very low-, low- and moderate-income households by providing rental assistance, supporting production of affordable rental units, including those for large families and persons with disabilities, and supporting efforts to preserve affordable rental units with expiring contracts that are at greatest risk of being converted to market rate units
- Improve homebuyer opportunities for low- and moderate-income households
- Preserve and increase the availability of safe, sanitary housing for low- and moderate-income owners and renters including the reduction of lead-based paint hazards
- Assist special subpopulations and special needs groups with shelter, housing assistance, and other services including homeless prevention and rapid rehousing activities, expansion of permanent housing and rental assistance
- Support financial and other activities designed to prevent residential foreclosures and address the consequences of vacant, abandoned or foreclosed properties
- Promote visitability and universal design in affordable housing construction, conversion, and major rehabilitation
- Endorse green building practices, and promote Energy Star® improvements and other energy efficient and renewable energy technologies, and use of non-toxic materials in affordable housing construction, conversion, and rehabilitation

- Advance fairness and accessibility for low-income housing consumers through supporting information dissemination, enforcement and compliance with fair housing laws
- Sustain efforts to provide housing disaster relief and mitigation

Housing Market Analysis

Goal: Improve the affordable rental housing opportunities for extremely low-, very low-, low- and moderate-income households especially those with severe residential cost burdens.

Working towards a balanced housing market requires an adequate supply of affordable rental housing units in a safe and sanitary condition and including affordable large and small family units, and accessible units..

Several critical rental needs have been identified in the Needs Analysis.

- Housing costs are a primary concern for the lowest income groups. For households at $\leq 30\%$ MFI, 72.9% of the renter households had housing cost burdens $> 30\%$. Rental assistance in the form of financial assistance to stabilize households in permanent housing and prevent homelessness, and to enable landlords to rehab units and keep them affordable are needed.
- At the end of 2009, 25,702 units of privately owned affordable rental housing are "at risk" over the next 3 years of being converted to market rate rental or condominium housing. Extending the long term use of existing the affordable rental housing stock, is critical to meeting Wisconsin's housing needs.
- The national housing crisis, unprecedented levels of foreclosure, job loss and household income reductions have resulted in former homeowners returning to the rental market and potential homebuyers remaining in the rental market.
- With existing affordable rental units being lost to expiring use and conversion to market rate apartments and condos, and higher numbers of renters returning or staying in the rental market, new units need to be produced. In addition, with more than 31% of all housing units in Wisconsin built before 1950, older housing with severe housing problems will continue to need to be replaced.

Goal: Improve homebuyer opportunities for low- and moderate-income households.

The State recognizes that homeownership represents an important social and economic goal. Homeowners, no matter what their income, tend to maintain their homes and neighborhood, benefit financially from their investment, and provide stability to the community. Homeownership contributes to the tax base of a local government.

As indicated in the Needs Analysis attached, housing costs are the primary concern for the lowest income groups. In some cases, once the down payment and closing costs are covered, homeownership can be more affordable than renting.

In Wisconsin there is a relatively small, but significant, disparity between the rate of homeownership between White and racial ethnic populations. In 2003, Whites made up 88.4% of the population but 94.9% of the homeowners while minorities made up 11.6 % of the population but only 5.1% of the homeowners. Although the disparity

narrows when entitlement cities and counties are removed, the Department will continue efforts to promote homeownership to minority households.

Innovative and cost effective affordable housing approaches and partnerships, including land trusts and workforce housing initiatives, can also expand opportunities for LMI households.

Goal: Preserve and increase the availability of safe, sanitary housing for low- and moderate-income owners and renters including lead based paint hazard reduction.

As previously noted, a balanced housing market requires an adequate supply of both rental and owner occupied housing units, in a safe and sanitary condition. As detailed in the Needs Analysis attached, in some areas of the state, the poor quality of the housing stock is a significant housing problem. Across the board, lower income rental and homeowner households have higher incidences of housing problems. The decennial Census contains information about some of the most severe problems such as the lack of a kitchen or bath. Homes with complete kitchens and baths may still have major structural problems such as failing roofs, faulty wiring, plumbing problems, defective heating/cooling systems, etc. In addition, more than 31% of all housing units in Wisconsin were built before 1950.

Goal: Housing and supportive assistance for special needs groups, including migrant and immigrant resettlement, homeless prevention activities, expanding transitional/permanent housing and long term residential care.

A critical priority for Commerce is to assist homeless persons as well as special needs households. This population includes transitional housing and emergency shelter clients, along with individuals affected by domestic abuse, individuals and families affected by HIV/AIDS, frail elderly persons and those with physical and mental disabilities. The driving forces behind homelessness are often economic and/or social problems. Subsidies and assistance can help many very low and low income people overcome their housing problems. However, for the homeless population with little to no income, physical or mental health problems, and/or a variety of addiction problems, housing may often be a secondary issue. While continuing to support shelter and housing programs for the homeless, Commerce's also recognizes the economic and social problems as primary causes. These needs are best addressed through local continuas of care. Commerce will continue to support approaches that help meet an array of needs for low income individuals and families to maintain or achieve greater personal, social, and economic independence and an enhanced quality of life.

Goal: Support financial and other activities designed to prevent residential foreclosures and address the consequences of vacant, abandoned or foreclosed properties.

As noted in the Needs Analysis attached, predatory lending, subprime mortgages, and high unemployment rates, will probably continue to contribute to increased numbers of foreclosures in the upcoming years in Wisconsin. Foreclosures have been fairly evenly divided between the three regions of the state (Milwaukee Metro, Other Metro, and Balance of State). A recent study conducted by the Center for Responsible Lending estimates that 83,400 homes will be lost through foreclosure over the next four years in Wisconsin alone.

Foreclosures also have spillover effects that further harm neighborhoods and wider communities. When a single-family home goes through foreclosure adjacent

property values decline. For neighborhoods with multiple foreclosures, property values can be severely impacted.

Rent contracts between tenants and landlords are usually severed when the owner of a rental unit files for foreclosure in Wisconsin. Given the financial straits of the defaulting landlord, tenants generally lose their security deposits and any prepaid rent.

Through state-funded affordable housing programs, Commerce will continue to assist very-low and low-income households to the extent feasible. Commerce's The Neighborhood Stabilization Program (HERA federal stimulus funding) will continue to assist communities address the consequences of foreclosed and abandoned properties.

Goal: Promotion of visitability and universal design in affordable housing construction, conversion, and major rehabilitation.

Wisconsin's elderly, disabled and special needs populations will continue to increase.

People with mobility difficulties should be afforded access to housing that has received DHCD funding for new construction or substantial rehabilitation. At a minimum, "visitability" requires:

- a no-step entrance;
- doorways wide enough to accommodate entry by people in wheelchairs; and
- a main-floor bathroom with a doorway and space sufficient to enter with a wheelchair and close the door.

Ensuring that major affordable housing projects receiving Commerce funding include barrier free design to allow people to stay in their homes and function independently, and to enable persons with physical disabilities to visit. DHCD facilitates and promotes these standards unless financially not feasible.

Goal: Promotion of Energy Star® improvements and installations and other energy efficient, green build, and renewable energy technologies in housing.

Energy and weatherization improvements and installations, green build and renewable technologies improve the long term affordability and livability of housing. In new construction and substantial rehabilitation, DHCD facilitates and promotes these technologies.

Goal: Advancement of fairness and accessibility for low-income housing consumers through supporting anti-predatory lending efforts and information dissemination, enforcement and compliance with fair housing laws.

Fair housing is a common purpose across all of the Division of Housing and Community Development programs. Commerce views its role in achieving this goal as affirmatively creating opportunities for all households to live where they choose. The Department of Workforce Development, through its Equal Rights Division, enforces the State's fair housing law, which prohibits discrimination in housing on the basis of sex, race, color, sexual orientation, disability, religion, national origin, marital status, family status, lawful source of income, age or ancestry.

Goal: Sustained efforts to provide housing disaster relief and mitigation

Wisconsin will continue to work directly with local representatives to determine how best to address unexpected housing needs that are a direct result of natural or manmade disasters.

Specific Housing Objectives

Priorities:

- Improve affordable rental housing opportunities for extremely low-, very low-, low- and moderate-income households by providing rental assistance, supporting production of affordable rental units, including those for large families and persons with disabilities, and supporting efforts to preserve affordable rental units with expiring contracts that are at greatest risk of being converted to market rate units
- Improve homebuyer opportunities for low- and moderate-income households
- Preserve and increase the availability of safe, sanitary housing for low- and moderate-income owners and renters including the reduction of lead-based paint hazards
- Assist special subpopulations and special needs groups with shelter, housing assistance, and other services including homeless prevention and rapid rehousing activities, expansion of permanent housing and rental assistance
- Support financial and other activities designed to prevent residential foreclosures and address the consequences of vacant, abandoned or foreclosed properties
- Promote visitability and universal design in affordable housing construction, conversion, and major rehabilitation
- Endorse green building practices, and promote Energy Star® improvements and other energy efficient and renewable energy technologies, and use of non-toxic materials in affordable housing construction, conversion, and rehabilitation
- Advance fairness and accessibility for low-income housing consumers through supporting information dissemination, enforcement and compliance with fair housing laws
- Sustain efforts to provide housing disaster relief and mitigation

	Annual Anticipated Resources
HUD Formula Grants	
Community Development Block Grant (CDBG) - Housing	\$ 9,206,826
Housing Investment Partnership Program (HOME)	\$ 13,314,336
Emergency Shelter Grant (ESG)	\$ 1,972,816
Housing Opportunities for Persons With AIDS (HOPWA)	\$ 455,271
HUD Competitive Grants	
Shelter Care Plus	\$ 239,040
WI ServicePoint/Front Door	\$ 364,486

State Programs (Housing Resources)	
Housing Cost Reduction Initiative (HCRI)	\$ 1,300,000
Homeless Prevention Program (HPP)	\$ 1,015,000
Critical Assistance (CA)	\$ 282,800
State Shelter Subsidy Grant	\$ 1,516,300
Transitional Housing	\$ 400,000
State PATH Match Aids	\$ 42,200
Private Funds (Housing Resources)	
IBRETA	\$ 200,000
H&HS Grants	
Projects for Assistance in Transition from Homelessness (PATH)	\$ 784,000
SSI/SSDI Outreach, Access and Recovery (SOAR)	\$ 74,000

CDBG-Housing:

Eligible activities: owner-occupied and renter-occupied rehabilitation, accessibility modifications, homestead (down-payment and closing cost assistance, combined in some situations with rehabilitation), new housing site development and certain acquisition costs, small-scale public facilities improvements

Up to \$1,000,000 set aside for special project initiatives (available on a continuous basis) for making affordable housing units newly available to low- and moderate-income households.

Any available funds may be made available for responding to emergency housing needs necessitated by a disaster.

HOME Program:

At least 15% HOME aid funds available to Community Based Housing Development Organizations (CHDOs) for providing affordable housing units

Up to \$900,000 available for special projects that assist communities addressing broader community development activities

Eligible activities: homeowner rehabilitation, including accessibility modifications; rental rehabilitation, including accessibility modifications; rental housing development; home buyer assistance; home buyer lease-purchase assistance; tenant-based rental assistance; and special projects

Continued funding of the Fresh Start initiative that provides at-risk young people with education, skills, and career direction through opportunities for meaningful service in their communities while helping construct affordable housing units for low-income families

Emergency Shelter Grant (ESG) Program:

Funds available through competitive process (in combination with State Shelter Subsidy Grants and Homeless Prevention Program Grants) to local governments and nonprofit agencies; overall funds allocated on percentage basis to regions of state (currently up to 40% to metropolitan Milwaukee counties, up to 40% to other metropolitan counties, and 20% to non-metropolitan counties)

Interest Bearing Real Estate Trust Accounts (IBRETA) revenues supplement ESG and other homeless assistance funds

Eligible activities: renovation, rehabilitation, and conversion of buildings for use as emergency shelters or transitional housing for homeless households; provision of essential services (up to 40% of funds with a HUD waiver); payment of maintenance and operations; homelessness prevention (up to 30% of grant);

Housing Opportunities for Persons With AIDS (HOPWA) Program:

Eligible activities: housing assistance—such as support services, rent and utility assistance, security deposits and housing counseling—aimed at preventing homelessness

Housing Cost Reduction Initiative (HCRI):

Eligible activities: homeowner assistance with foreclosure prevention, homebuyers assistance with down payment, closing costs and other housing costs related to home purchase but excluding development capitol costs

State Shelter Subsidy Grants (SSSG):

Eligible activities: homeless and emergency shelter program's operations - only generic emergency facilities and voucher programs are eligible.

SSSG funds cannot exceed 50% of an agency's annual operating budget.

Distributed by statute and formula, based on past shelter use and anticipated need, to the three "regions" of the State defined by statute (Milwaukee County, Dane County and the remainder of the State).

Transitional Housing (TH) Grants:

Purpose: development and expansion of supportive housing and supportive services to assist homeless individuals and families in their transition from homelessness and to enable them to live as independently as possible.

Eligible activities: leasing costs for facility based and non-facility based programs, operating costs of housing, supportive service costs

Funds made available in a combined application with ESG and HPP programs

Homeless Prevention Program (HPP) and Critical Assistance (CA) Grants:

Purpose: homeless prevention

Eligible activities: rent (including security deposit, first and last month's rent, and rent subsidy for up to 12 months); mortgage foreclosure prevention; and, utility costs (related to heat, gas, light, water, and public or private sewerage)

HPP funds made available in a combined application with ESG and TH programs

CA funds available for homeless prevention activities in those areas of the State not covered by ESG-TH-HPP

Interest Bearing Real Estate Trust Accounts (IBRETA)

Funds supplement ESG, THP, and SSSG funds

H&HS (SAMHSA) Projects for Assistance in Transition form Homelessness (PATH):

Purpose: services for individuals with serious mental illness, or with co-occurring substance abuse disorders, who are homeless or at risk of becoming homeless.

Eligible activities: outreach, mental health and substance abuse services, case management, and connecting participants to housing, primary health care and job training.

SSI/SSDI Outreach, Access & Recovery (SOAR)

Purpose: coordinate services and benefit assistance for homeless persons with chronic mental illness resulting in a 95% success rate in getting applicants approved for SSI/SSDI benefits in the first submission.

Needs of Public Housing

Please see WHEDA PHA 5-Year and Annual Plan. In addition, the Department reviews dozens of 5-Year PHA Plans in order to provide certification of consistency with the Consolidated Plan.

Public Housing Strategy

Through its HCRI/HOME homebuyer program, Commerce will continue to offer funds which can be used by housing authorities and other grantees to provide down payment and closing cost assistance to public housing or other assisted housing residents seeking to become homeowners. Through the HOME TBRA and Homeless Prevention programs, funds will continue to provide short to medium term rental assistance as well as security deposits and first/last month rent to support individuals and families that may soon be housing authority tenants or housing choice voucher participants.

Commerce maintains a website which identifies affordable housing units and social service contacts that public housing and other PHA participants can utilize free of charge.

Commerce staff regularly attends WI Association of Housing Authority meetings and conferences to announce funding opportunities and provide information applicable to public and assisted housing.

Wisconsin has a few small Housing Authorities designated as “troubled” under the Section 8 Management Assessment Program (SEMAP). Although the Department does not have any specific responsibility related to addressing SEMAP issues, Commerce staff will continue to serve as resource advisors to the state WI Association of Housing Authority board of directors and be available to provide assistance to “troubled” PHAs where feasible.

Barriers to Affordable Housing

The State of Wisconsin Fair Housing Plan acknowledges that it has a more “broad brush” role in addressing impediments to fair housing than entitlement communities. The State’s “home rule” provisions means that many of the actions that can directly impact fair housing such as zoning, subdivision control, impact fees, etc., are under the control of local government rather than the State. Nonetheless, the Department of Commerce will continue to actively address fair housing issues and promote fair housing training and principles, including the following activities:

- Forward Fair Housing complaints and apparent violations to the Department of Workforce Development, and to the Department of Housing and Urban Development.
- Review proposed State statutes, policies and rules that impact housing.
- Annually review housing discrimination complaint data.
- Continue to include fair housing training for all federally funded grantees.
- Maintain enforcement of federal requirements for grantees to affirmatively further fair housing.
- Continue to support an educational component of the Predatory Lending training for homebuyer and home financing that includes the practice of targeting people of color and low incomes. Housing staff will work with a statewide financial institution efforts to address the predatory lending issues.
- Promote Fair Housing education and promotion through work with the Wisconsin Fair Housing Network including sponsoring the annual Fair Housing Poster and Essay Contest.
- Provide funds to a contractor, such as Milwaukee Metro Fair Housing Council, to assist with fair housing investigations and carrying out other fair housing services.

HOMELESS

Homeless Needs

There is a diversity of social and economic backgrounds among Wisconsin's homeless population. In general, what they have in common is the lack of financial resources for basic living expenses and the loss of optimism and self esteem. Overall, homelessness is more prevalent and/or visible in the State's cities, compared with less populated areas; although the number of homeless individuals and families in rural Wisconsin continues to increase each year. However, non-metropolitan areas with fewer supportive services and often no emergency shelter facilities face a considerable challenge to reduce homelessness. In short, the diversity of the homeless population within varying geographic areas across the State calls for a range of alternatives to meet their housing and related needs.

The number of homeless persons in Wisconsin has shown annual increases. A current estimate of the total number of homeless persons in the State is approximately 32,000, not including persons at-risk of homelessness. Many individuals and families without their own housing are not officially counted as homelessness because they temporarily live with friends or relatives out of economic necessity

In 2008, the shelter programs funded by Federal and the State, (Emergency Shelter Grant (ESG), Shelter Subsidy Grant Program (SSSG), Supportive Housing Program (SHP), and Housing Opportunities for People With Aids (HOPWA) provided an estimated 724,000 shelter nights for homeless persons. (Domestic abuse shelters funded by DHFS provided 135,340 shelter nights in 2004). An estimated 16,224 individuals were served by Commerce funded programs. The average length of stay between January 1, 2009 and June 30, 2009 was 45 nights – significantly longer than the average of 14 nights in 2004. Shelter providers expressed concern about the length of stay, particularly in family shelters, the increasing difficulty in accessing

affordable rental housing, and the need for intensive supportive services for families with more complex problems.

Although shelter and service programs continue to expand, there are many unmet needs. Many shelters turn away several individuals or families for each individual or family they are able to serve. The demographics of the homeless population continue to show an increasing number of families in need. In 2008, of the 16,224 persons served in the DHCD funded programs, 46.9% were women and 52.5% were men, and overall 29.3% were children under 18 years. Additional demographic data on the shelter homeless population shows the following racial/ethnic background: 48.5% White, 41.1% Black, 3.4% Native American, and 0.4% Asian. 6.8% of shelter clients identified themselves as Hispanic or Latino.

Some families forced to relocate have avoided homelessness by moving in with family or friends. Because this population is difficult to track, little data is available. The Bureau of Supportive Housing does not have a methodology in place for measuring the need for facilities and services for those individuals and families who are at risk of homelessness; however, the Bureau recognizes there is a significant number of persons at risk of homelessness.

According to the 2000 Census data, 72.9% of households with extremely low incomes (less than 30% of the county median) who do not receive housing subsidies spent more than 30% of their income on rent and 53.2% have severe cost burden (more than 50% of income for housing). A survey conducted by the Wisconsin Department of Workforce (DWD) of people who left welfare in the first quarter of 1998 indicated that 27% of those interviewed had moved because they could not pay their housing costs. More than half had gotten behind on their rent or house payments.

Among large family rental households with extremely low incomes, 82.0% pay more than 30% of their income for shelter; 56.5% have severe cost burden. The latest Census data also indicated that for households at or below the 30% of the MFI, 91% of large families are living in overcrowded households. The combination of a significant number of families living in overcrowded conditions, and also possibly paying more than 50% of their income for housing, translates into an increasing at-risk population.

Data collected from the monthly shelter reports indicates the leading causes for the current homeless episode are low or no income, eviction and family violence. These factors plus the consistent increase in the number of homeless persons over the past several years leads us to the conclusion that the homeless population in Wisconsin has not yet peaked.

Priority Homeless Needs

The state has funded homeless programs serving individuals and families with children for 25 years. The programs funded include emergency shelters, transitional housing, case management /essential services, street outreach, and prevention and rapid re-housing. Several different state and federal funding streams are used to fund these programs. A competitive grant process distributes formula allotted funds throughout the entire state. The formula utilizes demographic and HMIS data to determine the allotment of funds between urban and rural areas of the state. The

depth and breadth of programs funded ensure that all homeless sub-populations will receive assistance based upon local need.

DHCD does not rank the needs of homeless sub-populations. Instead, it relies on the local continuums of care (CoCs) to identify their local needs and request funding allocations to address those needs.

The DHCD grant award process funds programs based upon a demonstration of need and an organizational/programmatic capacity to address that need on a local level. Since priorities are determined at the local CoC level, DHCD has the responsibility to provide funding to eligible programs to serve the relevant homeless population in each community. For example, a local CoC identifying shelter for Domestic Violence victims as their top priority may receive funding in addition to another local CoC identifying transitional housing for Veterans as their top priority for funding.

The top five identified gaps in services as identified in the statewide HMIS were:

1. Emergency Shelter
2. Eviction Prevention or Rapid Re-Housing Assistance (Rent Assistance)
3. Transitional Housing
4. Utility Assistance
5. Transportation Assistance

These were gaps in services identified for all homeless and at-risk homeless populations. In 2009, 4.2% of the total persons experiencing a need in any category of homeless housing and services were identified as Chronically Homeless. Of those identified as Chronically Homeless, their top three identified needs mirrored the needs of the total homeless population, with Permanent Housing and Case Management rounding out the top five needs, respectively.

The DHCD provides funding from several grant sources to address each of these need areas and funds programs that target chronically homeless persons as well as programs that incidentally serve chronically homeless persons.

In addition, each of the four local HUD defined CoCs applies for and has received money to create permanent supportive housing beds for chronically homeless persons. The DHCD supports the efforts to obtain federal funds for these permanent supportive housing programs.

Homeless Strategic Plan

DHCD emphasizes the continued development of local continuums of care throughout the entire state. These local CoCs are the most efficient and effective model for addressing homeless needs and providing services as they are involved daily in their community social services networks. Each local CoC develops and implements strategies across the spectrum of services listed above. DHCD funding, training, technical assistance, and data management support are utilized extensively to help local CoCs maximize their effectiveness in providing services to homeless persons.

DHCD provides funding from the following funding sources to prevention activities in local CoCs throughout Wisconsin:

- 30%, or approximately \$600,000, of Emergency Shelter Grant (ESG) funds.
- \$1.4 million in state general purpose revenue funds.
- \$1 million in Tenant Based Rental Assistance (TBRA) funds targeted to homeless persons.

- \$300,000 in Critical Assistance Funds.
- \$400,000 in Homeless Opportunities for Persons With AIDS (HOPWA) funds.

In addition to this \$3.7 million in annual funds for prevention activities, DHCD has \$16.9 million in ARRA funds for prevention and rapid re-housing programs until the end of 2011.

DHCD has already achieved most of the goals set forth in the 2004-2009 Strategic Plan related to ending chronic homelessness. These goals involved targeting funding to programs that serve chronically homeless individuals and administrative changes putting a greater focus on serving this population. The current strategy is to support and assist where feasible the HUD defined CoCs efforts to develop permanent supportive housing for homeless individuals. In 2009, the Balance of State CoC provided an additional 18 beds targeted to chronically homeless persons. The CoC has a goal of creating 20 new beds for chronically homeless persons in the next five years.

DHCD attends meetings at least quarterly each year that bring together members of local CoCs to discuss and coordinate strategies to end homelessness for all subpopulations. DHCD also provides technical assistance and data to local CoCs throughout the state to inform them on the number of chronically homeless persons in their communities and their respective needs.

DHCD coordinates a statewide Point-In-Time count in late January and late July each year. As a part of this process, service providers work together to conduct the count and to organize service response to homeless persons in need of assistance.

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DHCD provides funds in all 72 Wisconsin counties, comprised of four major umbrella CofCs and nearly 30 local CoCs. More than 200 agencies from these local CoCs, out of approximately 1,100 total agencies, receive funding for homeless services from DHCD.

These agencies have provided housing, shelter, prevention, and supportive services to homeless and persons at imminent risk of homelessness for more than 32,000 persons in 2009 utilizing DHCD distributed funding. When combined with other federal, private, and community funds, Wisconsin CoCs provided more than 103,000 persons with housing, shelter, prevention, and supportive service activities in 2009.

The State Wisconsin has a statutory requirement to provide discharge planning for persons with mental illness being discharged from institutional settings and the

Department of Corrections (DOC). Division of Community Corrections requires that persons leaving state correctional facilities have a community placement plan in place. Effective June 1, 2004 the DOC implemented, by Executive Order, a process and a timeline, in collaboration with the Department of Health and Family Services (DHFS) and the Social Security Administration (SSA), to assist corrections clients to obtain disability benefits upon release. Six months prior to release potential disability candidates will be identified with the intention of making benefits available to the recipient upon release. The Executive order regulates: 1) inter-agency agreements relative to the subjects between the DOC, the SSA, and the DHFS, 2) application and securing of benefits for eligible offenders, and 3) staff training.

The local CoCs are addressing the issue of homeless persons leaving County jails through a variety of tactics including working with the local Sheriffs to identify those persons leaving jail who may be homeless upon discharge and identifying potential resources for the discharged individuals.

Emergency Shelter Grants (ESG)

DHCD competitively distributes Emergency Shelter Grant funds, on a formula basis among three groupings of counties: Milwaukee Metro counties, "Other Metro" counties, and "balance of state" (see Appendix C for groupings). The formula is comprised of several indicators of the potential risk of homelessness. They include: poverty statistics; the number of female headed households below the poverty level; number of renter households at 0-30% of median family income with housing costs exceeding 50% of their incomes; reported annual incidence of domestic violence by county; percentage of veterans; and, unmet need data. After deducting the HUD entitlement amount to Milwaukee, Madison and Racine, last year's percentages for the three groupings for the distribution of funds was:

- 40% Milwaukee Metro counties
- 40% "Other Metro" counties
- 20% Balance of state

COMMUNITY DEVELOPMENT

Community Development

Needs are based on input from grantees, other state agency and local government partners, business interactions, and citizens, and also from program evaluation, existing data, and information gained through prior administration of the CDBG program.

COMMUNITY DEVELOPMENT

Community development program resources will be directed to projects that alleviate threats to public health, safety, or welfare, or reduce slum and blight and support overall DHCD goals to:

- Ensure the affordability of basic services that enhance community vitality

- Promote improved housing and economic opportunities for low- and moderate-income households
- Support revitalization of established neighborhoods, downtown business districts, blighted sites, and minimize sprawl by promoting reinvestment in existing community assets
- Assist capital improvement projects that support previous planning efforts and are part of a broader community development strategy that spurs new public and private investment
- Facilitate accessibility improvements in public facilities
- Encourage the use of energy efficient design, retrofitting, and equipment
- Respond to natural and man-made disasters or catastrophic events

Community Need Priorities

Neighborhood Facilities - Classified as a medium priority based on past applicant interest as expressed through applications and technical assistance inquiries. Facilities to be assisted are determined at the applicant level, however, the goal is to develop such facilities in conjunction with other community development initiatives. Potential funding sources include CDBG, Foundations, private donations, and local funds. There are no potential obstacles to funding at this time aside from local support and financing.

Park and/or Recreation Facilities - A medium priority, and only when such facilities are a part of a comprehensive community development or revitalization initiative and when such facilities are critically needed in the target neighborhood. Local government interests in using CDBG for has been minimal. Potential funding is primarily from Department of Natural Resources programs. Potential obstacles to funding include limited funds for these type of activities.

Health Facilities - A medium priority that supports the Department's Physician Loan Assistance program designed to direct physicians to medical shortage areas. Through this program, the Department is aware of the lack of adequate healthcare facilities in certain areas thereby making it difficult to recruit medical personnel to these places which typically are rural with populations under 1,500 persons. Potential funding sources include CDBG, local hospital participation and federal funding for operational expenses and healthcare assistance programs.

Parking Facilities - A medium priority when combined with other development activities or when in conjunction with a significant economic development project. A stand-alone parking facility proposal will be a low priority. Potential funding includes CDBG when combined with substantial other funding. Obstacles for funding include "competition" from other higher priority activities.

Solid Waste Disposal-Low priority.

Asbestos - A medium priority when combined with other development activities or when in conjunction with a significant economic development. Potential funding includes CDBG and the state funded Brownfields Remediation Program when combined with substantial other funding, particularly private funds.

Non-Residential Historic Preservation – A medium priority when a component of a much larger redevelopment initiative in which substantial other public and private

funding is being invested and where the preservation project is integral to the overall success of the project.

Other Public Facility Needs – A medium priority when such needs are essential to the well being of the community and financing is lacking, or when such needs are addressed, the result is the broadening of a community’s growth and development prospects.

INFRASTRUCTURE

Water/Sewer Improvements – A medium priority when the improvement is essential to the well being of a community lacking sufficient resources to address the need on its own. In addition, the activity will be considered when the improvement expands opportunity for growth and development and there are other related community development activities taking place in conjunction with the proposed activity. If the activity is part of a larger and more comprehensive development project and grant financing is needed to insure the success of the overall development, the improvements will be given a higher priority.

Street Improvements – A medium priority only when the activity is an integral component of other development in the vicinity of the proposed project and when outside financing is warranted.

Sidewalks – A medium priority only when a component of a comprehensive redevelopment plan or when the project is integral to the success of another CDBG assisted activity.

Sewer Improvements – A medium priority when a component of a comprehensive redevelopment plan or when the project is integral to the success of substantial other investment being made and the unit of government lacks sufficient funds.

Flood Drain Improvements – A medium priority when a component of a significant community or economic development project where substantial private investment is being made or when such improvement can be documented to alleviate significant threats to lives and property.

Other Infrastructure Needs - A medium priority when such needs are essential to the well being of the community and financing is lacking, or when such needs are addressed, the result is the broadening of a community’s growth and development prospects.

PUBLIC SERVICE NEEDS

Handicapped Services
Transportation Services
Substance Abuse Services
Health Services
Other Public Service Needs

} Low priority - outside the scope of Commerce

Employment Training – A medium priority when a component of a larger economic development initiative consistent with the goals and objectives of other Commerce economic development programs.

ANTI-CRIME PROGRAMS

Crime Awareness
Other Anti-Crime Programs } Low priority - outside the scope of Commerce.

YOUTH PROGRAMS

Youth Centers – Low priority except may be considered if the purposes of a youth center are included in the overall use of a community center that serves multiple functions.

Child Care Centers – A medium priority when it addresses local economic development and job opportunity needs for low and moderate-income persons.

Youth Services
Child Care Services
Other Youth Programs } Low priority, outside the scope of Commerce.

SENIOR PROGRAMS

Senior Centers – A medium priority when part of a larger project and there is evidence of substantial financial commitment and the location of the facility and services offered are appropriate for this limited clientele.

Senior Services – Low priority when considering these are traditionally offered and financed at the local level.

Other Senior Programs – Low priority.

PLANNING

Planning – Medium priority when associated with a potential development that supports other medium or high priority needs.

Potential funding for all of the above is contingent on the availability of CDBG funds. Any substantial reductions in CDBG funding may necessitate a revision to the priorities and criteria for prioritizing.

*Priority units are not provided given that the activities are applicant driven.

ECONOMIC DEVELOPMENT

Economic development program resources will be directed to projects that meet the following goals and create and expand economic opportunity in our communities, focusing on both workers and businesses, and support the overall Division of Business Development goals to:

- Encourage business capital investment that supports job creation through expansion
- Foster new businesses that result in job creation
- Assist businesses that are considering closing or reducing employment levels to be able to retain those positions

- Support job training and skill development
- Promote entrepreneurial development and small business start-ups
- Support incubators and microenterprises
- Support regional economic development strategies
- Respond to urgent local needs such as man-made or natural disasters that have county-wide impact

BACKGROUND

In recognition of its role as the state's leading economic development agency, COMMERCE is continually evaluating ways in which its programs can be improved to better meet the needs of its clients. From its inception, COMMERCE, through its predecessor agencies, recognized that long lasting economic growth and prosperity could not be achieved without a comprehensive strategy that addressed all aspects of a community's economic health. Based upon this philosophy, the agency developed programs that focused on infrastructure, housing and business development.

Relative to business development, COMMERCE's early efforts were limited to fixed asset financing through the CDBG-ED (ED) program, employee training through the Customized Labor Training (CLT) program and research and development through the Technology Development Fund (TDF). Since then, the needs of Wisconsin's business community have continually evolved.

In response to the changing face of Wisconsin's economy, COMMERCE's programs need to continually evolve. Today's economy does not allow for reactionary measures. In order to remain competitive, COMMERCE recognizes that its economic development programs must be innovative, proactive and multi-faceted.

NATIONAL OBJECTIVE

COMMERCE includes all of the national objectives: low and moderate-income benefit, urgent local need, and the prevention or elimination of slum or blight.

JOB CREATION

Job creation has been the mainstay of the ED program since its inception. The focus on job creation has been driven by three primary factors: 1) it clearly meets the national objective 2) it is easy to measure and 3) it is easily justified in times of high unemployment.

Today, the reality of the slowdown in the economy is requiring many Wisconsin companies to reduce price and evaluate labor cost. In response, a number of companies have no choice but to increase production efficiencies which may result in a reduction of the workforce. Other companies may opt to move production outside of the United States to countries with less stringent environmental codes and an available workforce with low labor rates.

To meet its challenges, businesses today are investing in new technologies, implementing comprehensive programs designed to increase the production efficiencies of their existing workforce, and/or pursuing a previously untapped emerging market. Although each of these alternatives can be pursued independently, most businesses are taking a comprehensive approach.

COMMERCE agrees with this analysis and believes that the ED program can no longer limit its focus solely to job creation. Furthermore, while each of the above alternatives present unique challenges, COMMERCE will look to use the ED program in the following areas.

Many companies have recognized the need to continually invest in new technology. In the past, increased investment was traditionally coupled with an overall business expansion that provided the new jobs necessary to justify the investment of ED funds.

In today's economy such traditional ED projects still exist, but they do not dominate Wisconsin's economic development landscape. Today, a company's investment in fixed assets, personnel, and/or new technology may not lead to new jobs. In fact, the new technology may result in decreased company employment because production gains may allow the business to eliminate a certain number of positions necessary to remain competitive.

The reality of Wisconsin's economic environment over the past year has forced Commerce to evaluate the entire scope of the project and look at projects from the company's perspective. With the downturn in the economy, many companies are evaluating options such as displacing their current Wisconsin workforce by relocating outside of Wisconsin or investing in new technology that will allow the company to keep its Wisconsin operation, but maintain a smaller workforce. Commerce needs to evaluate the impact of these options to the community and the state. The company may be the largest employer in the community and provides an average wage and benefit package in excess of \$15 per hour. The company would be willing to stay if it could finance the cost required to do so. This project could qualify under the national objectives of job retention but also that of urgent local need. Losing a company like this in a community would pose a serious and immediate threat to the health and welfare of the community. Commerce will continue to explore and capitalize on the flexibility of the CDBG program to meet Wisconsin's economic needs and create and/or retain jobs.

JOB TRAINING

Although training is an eligible use of CDBG funds, the ED program has historically limited its focus to training related to fixed asset and working capital financing. Given the fact that Wisconsin's economic environment is constantly evolving and that the importance of training will be critical to retrain dislocated Wisconsin workers impacted from layoffs, COMMERCE will continue to explore new initiatives relative to training.

While traditional training programs have focused solely on equipment operation, training programs may now include courses on sustainability, emerging technologies, decentralized decision making, and continuous improvement, to name just a few.

Today's manufacturers face dramatic changes. As layers of management are being eliminated, soft skill training is becoming increasingly important. In order to provide a more comprehensive training program, Commerce will continue to expand the ED program eligibility to include training activities that meet any one of the national objectives. At the same time, Commerce will also continue to work with the Department of Workforce Development, Wisconsin Manufacturing Extension

Partnership, Wisconsin Technical College System and others to ensure that the training needs of Wisconsin businesses are being met.

ENTREPRENEURIAL AND SMALL BUSINESS DEVELOPMENT

Studies show that microenterprises and small businesses are responsible for over 80% of Wisconsin's economic growth. Commerce will continue to explore initiatives that meet the CDBG eligibility requirements and national objectives to help these sectors survive the current economic situation and thrive so they may continue to grow its economy.

WISCONSIN ENTREPRENEURS' NETWORK (WEN)

Entrepreneurship is one of the key elements of Governor Jim Doyle's "Grow Wisconsin" initiative. Legislation was enacted by Gov. Doyle to provide the matching funds necessary to establish a statewide system of centers called the Wisconsin Entrepreneurs' Network to support entrepreneurial development. WEN has been designed to provide a wide variety of support for entrepreneurs and businesses in all industries and stages of development, its primary focus will be on micro-enterprise assistance as described in Section 105(a)(22) of the Housing and Community Development Act.

The network offers an expansive list of technical assistance and business-planning services specifically designed to enhance an entrepreneur's ability to achieve success.

Funding from the Wisconsin Department of Commerce will be used to support an integrated statewide network to serve entrepreneurs and startup businesses. WEN is housed in the University of Wisconsin Division of Entrepreneurship and Economic Development and includes 4 regional technology-transfer centers that work in partnership with the 13 statewide Small Business Development Centers. The regional technology transfer centers are located in Eau Claire, Milwaukee, Madison and Green Bay. WEN incorporates and collaborates with other leading organizations:

- [University of Wisconsin-Extension](#) - the UW System's statewide outreach network, with 13 campus-based Small Business Development Centers.
- [WiSys Technology Foundation](#) - subsidiary of Wisconsin Alumni Research foundation, protecting and licensing inventions created by scientists at 12 UW four-year campuses, at 13, two-year campuses and UW-Extension.
- [Wisconsin Technical College System](#) - the state's network of 16 technical colleges, providing educational opportunities in more than 300 occupational fields.
- [Agricultural Innovation Center](#) - the Department of Agriculture, Trade and Consumer Protection's newly-established hub serving agriculture-related entrepreneurs.

LOCAL REVOLVING LOAN FUNDS (RLF)

Under the Housing and Community Development Act (HCDA), the state of Wisconsin is allowed broad authority to reclaim program income from local units of government. The only identified exception is found in Section 104(j) of the Act, i.e., to continue the same activity. However in accordance with the provision of maximum feasible deference to the state, Wisconsin interprets Section 104(j) in the most restrictive manner. Specifically, the state interprets "continue the activity" to mean the exact same activity as the original award, e.g., the same sub-recipient, in the same dollar amount, the same use, with the same deliverables, etc.

In accordance with the above definition, Wisconsin has broad authority to reclaim program income. Notwithstanding such authority, the state has historically recognized the value of allowing units of general local government (UGLG) to retain all or a portion of program income to establish Revolving Loan Funds (RLF). In fact, today there are over a hundred local RLFs operating throughout the state.

Cognizant of the administrative burden associated with monitoring all aspects of CDBG compliance for each of the aforementioned RLFs, Wisconsin will continue to implement strategies to expand the utilization of nonprofit entities to carry out eligible activities under Section 105(a)(15) of the Act. Such activity includes encouraging UGLG to undertake planning activities targeted toward the creation of self-defined regional economic development corporations, adopting policies and developing strategies necessary to implement comprehensive community development initiatives and/or the establishment of a state-wide economic development corporation.

In accomplishing this plan, Wisconsin will build upon the guidelines contained in HUD Notice: CPD-04-11. Specifically the information contained in:

SECTION IV: ACTIVITIES CARRIED OUT BY 105(A)(15) NONPROFIT ENTITIES. WHICH STATES:

Section 105(a)(15) of the HCDA allows as eligible the provision of assistance to neighborhood-based nonprofit organizations, local development corporations, and nonprofit organizations serving the development needs of communities in non-entitlement areas to carry out neighborhood revitalization, community economic development or energy conservation projects. According to 24 CFR 570.489(e)(2)(ii), "amounts generated under Section 105(a)(15) of the Act and carried out by an entity under the authority of Section 105(a)(15) of the Act" are not considered program income.

States seeking to minimize the amount of funds that must be treated as program income could take advantage of this exception by encouraging UGLGs to form sub-grantee relationships with local nonprofit organizations to administer Revolving Loan Funds (RLFs). In this scenario, the state would grant funds to an UGLG, which would then pass the funds to a nonprofit organization, such as a community development corporation (CDC). The CDC would then use those funds to make loans, such as for business expansion or housing rehabilitation. If the repayment of that loan is made to the nonprofit organization and the nonprofit retains the repayments for further use, repayments are not considered program income; subsequent loans by the nonprofit entity using those funds do not have to meet any Federal requirements. However, the state or UGLG could still establish requirements for re-use of the funds-or even require some CDBG requirements to be followed through grant agreements between the UGLG and the 105(a)(15) entity. HUD encourages grantees to ensure that subsequent revenue is expended on community development needs.

In pursuing this objective, the state of Wisconsin is utilizing pilot regions and developing the model agreements necessary to ensure that the nonprofit entities are adequately formed and capable of carrying out eligible activities (loans, equity investments, etc.) in a manner acceptable to Commerce.

OTHER OPPORTUNITIES

In addition to the items discussed above, Commerce is committed to working with businesses and other public agencies in order to develop initiatives that will lead to long term employment opportunities for targeted group members. While Commerce recognizes that targeted group members have a wide variety of needs, the agency anticipates that its efforts will also be focused on the following areas:

- Workforce preparedness training
- Access to high quality, affordable child-care.
- Transportation
- English as a second language
- Diversity training
- Regional Economic and Community Development
- Entrepreneurial Development

CONCLUSION

In conclusion, COMMERCE will continually evaluate its administration of CDBG funds in order to meet Wisconsin's economic needs and utilize the full benefit of the flexibility that is inherent in the program. Commerce will continue to work collaboratively with UGLGs so that nonprofit entities and businesses will be able to receive grants, loans and/or equity investments for activities that are allowed under the federal guidelines.

Antipoverty Strategy

A strong future for Wisconsin depends on all our residents having the opportunity to be successful. Too many of our citizens live in poverty and this hurts all of us today and limits us tomorrow. The State of Wisconsin remains firmly committed to providing economic growth and opportunity to all of its citizens and sees the provision of affordable housing and community development as a critical component of that commitment.

The overarching goal of this anti-poverty strategy is to reduce the number of families and individuals currently living in poverty. Any goal of reducing poverty must look beyond the effects to the causes, the root of poverty, to aid people to achieve self-sufficiency. Insofar that an effective anti-poverty strategy needs to include affordable, stable housing we propose a diversity of state level strategies and approaches;

The State's Department of Commerce, through its Division of Housing and Community Development deploys a range of options and procedures to best utilize federal and state resources to address affordable housing issues allowing as much flexibility as possible to local providers. It is committed to exploring additional sources of revenue to increase the availability of affordable housing dollars in Wisconsin.

It intends to maintain its commitment to fund local program operators that have a record of acceptable performance and that integrate Commerce funded affordable housing programs with local human development, social services and other affordable housing and antipoverty initiatives. It will continue to provide oversight of grantees to assure compliance with applicable regulations and contractual objectives.

Also, it will assess the effectiveness of local agencies in delivering housing assistance, reducing homelessness, and helping low-income families and individuals attain self-sufficiency

The State also seeks to develop or strengthen collaboration with other housing-related funders as well as with other state agencies and state task forces and the private sector to maximize effectiveness in addressing housing problems of low income households.

The State also encourages the implementation of creative and innovative models which can provide affordable housing opportunities for lower income households. It further encourages and supports community or regional level resource navigators proficient at centralized housing/social service information dissemination, intake/application and referral to facilitate rapid stabilization of homeless persons and help those seeking housing counseling, eviction/foreclosure prevention, homebuying and home improvement services and resources.

The State intends to expand and preserve affordable housing options for low income persons, particularly for vulnerable households with severe cost burdens and those at or below 50% of county median income with particular consideration for challenged households at 30% or below county median income.

It strives to eliminate lead-based paint and other health and safety hazards and support rehabilitation, accessibility and lead safe maintenance and energy improvements in Wisconsin's housing stock.

It supports initiatives to prevent homelessness and other efforts to provide a full spectrum of local homeless continuum of care activities and strategies (from shelters and emergency vouchers to transitional and permanent housing).

Low Income Housing Tax Credit (LIHTC) Coordination

Commerce meets with the Wisconsin Housing and Economic Development Authority (WHEDA), the administrator of the Low Income Housing Tax Credits, to coordinate affordable housing resources. Members of WHEDA's staff provide advice to DHCD's Rental Housing Development (RHD) program. DHCD earmarks funds to be distributed in conjunction with Tax Credit and bond-financed projects. WHEDA and DHCD share administrative and monitoring duties on these jointly funded projects.

NON-HOMELESS SPECIAL NEEDS

Specific Special Needs Objectives

With Wisconsin's elderly, disabled and special needs populations increasing, ensuring an adequate supply of affordable housing units (rental and ownership) that has access to adequate, appropriate supportive services continues to be a priority. DHCD provides many types of resources (both federal and state) for people with special needs, including:

CDBG: Funding to local units of government for accessibility improvements in owner-occupied homes. Approximately 25 owner-occupied units will be completed under the preserving and increasing the availability of safe, sanitary housing objective, annually.

HOME: Funding, distributed through local contractors throughout Wisconsin, to identify and work with eligible households for moderate rehabilitation and accessibility improvements for low-income persons with disabilities. Approximately, 60 owner-occupied households will be aided through these contracts annually.

State Funds: Distributed to housing organizations, are used for a variety of housing assistance needs for disabled persons. Approximately 800 households identified as having a disabled family member will be assisted.

Non-homeless Special Needs Analysis

Subpopulations with Special Needs

Elderly

According to Department of Administration population projections, Wisconsin's elderly population (age 65+) has exceeded 766,000 with more than 100,000 over the age of 85. The Department of Health and Services has estimated that over 133,000 older people will need assistance with one or more activities of daily living, including such things as dressing, bathing, eating, toileting and mobility. Needs critical to this subpopulation include 1) affordable assisted living, and 2) home modification, repair and improvement to enable older people with disabilities to stay in their homes, for both owner occupied and rental housing.

Persons with Disabilities

The Department of Health and Family Services projects that the number of people (older than 20) in Wisconsin with physical disabilities will grow from 401,803 in 2007 to 439,510 in 2010, 475,793 in 2015, and 517,429 in 2020. The number of people (older than 20) with sensory disabilities will grow from 177,521 in 2007 to 194,793 in 2010, 212,996 in 2015, and 234,920 in 2020. The number of people with mental retardation or developmental disabilities is expected to be 31,776 in 2010, 32,679 in 2015, and 33,097 in 2020. People with disabilities often have additional severe cost burdens placed on them for housing. Key housing needs for people with disabilities are not only affordability, but also accessible housing that is barrier free in design and integrated into the surrounding community. As with the elderly, access to transportation, health care and other public and private facilities and services are important factors when weighing various housing options. Financing for housing rehabilitation and modification to allow persons with disabilities to function independently or make homes accessible will continue to be a critical need.

Persons with Alcohol and Other Drug Addictions

People with addictions include those whose use of alcohol and/or other drugs interfere with or impair physical health, psychological functioning, occupational or educational performance, and personal or family relations.

DHS has estimated that over 450,000 people in Wisconsin are in need of treatment for an alcohol or other substance use disorder. Approximately 60,000 such

individuals receive treatment annually for their alcohol or other substance use disorder. Critical needs for this subpopulation include 1) direct assistance with first and last month rent and security deposits, 2) housing counseling services, 3) emergency shelter, and 4) transitional housing

Persons with AIDS/HIV

According to the DHS AIDS/HIV Program, the cumulative number of HIV diagnosed cases in Wisconsin has reached 10,565. The State estimates that there are a known 6,814 HIV-positive individuals living in Wisconsin and over 2,500 who have HIV but have not been tested. In 2008, 80% of persons reported with HIV infection were males and 20% were females. While racial/ethnic minorities comprise 12% of the Wisconsin population, 55% of persons reported with HIV infection in 2008 were members of racial/ethnic minority groups. The difficulty in obtaining safe, affordable housing for persons with HIV disease can prevent their timely discharge from acute-care facilities and may force them into homeless shelters or to move into unstable or unsafe living environments. The Aids Resource Center of Wisconsin (ARC-W), the service provider Commerce allocates HOPWA funds to, provides direct case management services with persons who are HIV infected or living with AIDS.

Housing Opportunities for People with AIDS (HOPWA)

The Division of Housing and Community Development intends to continue to contract with a statewide organization to provide assistance and services under the State's HOPWA Program. This process is designed to provide eligible applicants with resources and incentives to devise long-term comprehensive strategies for meeting the housing needs of persons with AIDS or related diseases and their families. Recipient organizations may use funds for a wide variety of housing assistance—such as support services, rent and utility assistance, security deposits and housing counseling—aimed at preventing homelessness. Commerce will distribute the HOPWA allocation to entities that operate outside the Milwaukee County four-county metropolitan area and Pierce and St. Croix counties which are part of the Minneapolis-St. Paul MSA. DHCD anticipates continuing to make the allocation available through a contract with the Aids Resource Center of Wisconsin (ARC-W). Funding through a single lead entity offers the opportunity to provide cost effective and non-duplicative services for individuals and families affected by AIDS and HIV in a collaborative manner. Through collaboration with ARC-W regional directors, Community Action coalition of South Central Wisconsin, Inc., AIDS Network and the Rodney Scheel House, the program provides housing counseling, emergency housing, security deposits, rental assistance and eviction prevention to persons affected by HIV/AIDS in the 66 counties that are not served by the Milwaukee Metro or Minneapolis/St. Paul AIDS Service Programs. DHCD's decisions on funding levels will take into consideration the distribution of individuals who have HIV infections and AIDS, as reported to the Centers for Disease Control. ARC-W subcontracts with several agencies to ensure the provision of housing and services on a statewide basis. DHCD will ensure through its contract with ARC-W that full geographic coverage will occur outside of the Milwaukee metropolitan area and Pierce and St. Croix counties.

An estimated 150 individuals will be aided annually. See the HOPWA worksheet in the Needs table.

If federal, state, and local funding remain at recent levels, the Commerce estimate of annual resources would be approximately:

	HOPWA Funds	Other Funds	Total Funds
Commerce Admin	\$ 13,700		\$ 13,700
ARC/W			
Admin	\$ 30,900	\$ 44,000	\$ 72,000
Rent Asst	\$142,000	\$343,000	\$489,000
Emer Rent/Mortg Asst	\$ 0	\$ 0	\$ 0
Hous Counseling	\$122,000	\$ 92,700	\$214,700
Supp Serv (Housing)	\$ 101,100	\$423,000	\$524,100
Rodney Scheel Subcontract	\$ 41,200		\$ 41,200
CAI Subcontract	\$ 5,000		\$ 6,800

OTHER NARRATIVE

Include any Strategic Plan information that was not covered by a narrative in any other section.

The Department will continue efforts to insure maximum state coverage of program resources. Emphasis will also be placed on enhancing local capacity building and on integrating program resources as opportunities and situations arise in disadvantaged and under-served areas.

Proven program approaches as well as efforts to improve strategies and explore more efficient and effective approaches to address community needs will be pursued to maximize responsiveness.

- The Department will continue collaborative efforts with WHEDA, HUD, USDA Rural Development, and US Department of Commerce-EDA to address special housing and community and economic development opportunities and sponsor training and technical assistance for local officials to increase knowledge of and access to available state and federal programs and resources.
- The Department will review current policies and procedures related to maximizing the efficient reuse of program income funds to meet critical needs. The Department will pursue modifications where redirecting resources could address needs in programs with unmet critical needs or are over subscribed.

See Appendix E for Performance Measure Outcomes chart for CDBG, HOME, ESG, and HOPWA activities.

PRIORITY NEEDS SUMMARY TABLE

PRIORITY HOUSING NEEDS		<i>% of median</i>	<u>Priority Need Level</u>		
			0-30%	31-50%	51-80%
RENTER	Small	Cost Burden >30%	High	Medium	Medium
		Cost Burden >50%	High	High	Medium
	Related	Substandard	High	High	Medium
		Overcrowded	High	High	Medium
	Large	Cost Burden >30%	High	Medium	Medium
		Cost Burden >50%	High	High	Medium
	Related	Substandard	High	High	Medium
		Overcrowded	High	High	Medium
	Elderly & Special Needs	Cost Burden >30%	High	High	Medium
		Cost Burden >50%	High	High	Medium
		Substandard	High	High	Medium
		Overcrowded	High	High	Medium
OWNER	Cost Burden >30%	High	Medium	Medium	
	Cost Burden >50%	High	High	Medium	
	Substandard	High	High	Medium	
	Overcrowded	High	High	Medium	
PRIORITY HOMELESS NEEDS		<u>Priority Need Level</u>			
		Families	Individuals	Persons w/ Special Needs	
Assessment/outreach		High	High	High	
Emergency Shelter		Medium	High	Medium	
Transitional Housing		Medium	Medium	Medium	
Permanent Supportive Housing		High	High	High	
Permanent Housing		High	High	High	
PRIORITY COMMUNITY DEVELOPMENT NEEDS					
PUBLIC FACILITIES		<u>Priority Need Level</u>	INFRASTRUCTURE IMPROVEMENTS	<u>Priority Need Level</u>	
Senior Centers		Medium	Flood Drainage	Medium	
Neighborhood Facilities		Medium	Water & Sewer	Medium	
Child Care Centers		Medium	Street	Medium	
Parks/Recreation		Medium	Sidewalk	Medium	
Health Facilities		Medium	Sewer	Medium	
Parking Facilities		Medium	Asbestos Removal	Medium	
Planning		Medium	Telecommunications	Medium	
Other Public Facilities		Medium	Other	Medium	
Non Residential Historic Preservation		Medium			

Appendix A

DEPARTMENT OF HOUSING & URBAN DEVELOPMENT (federal) Community Development Block Grant (CDBG) AREAS

Community

Appleton	sarah.higgins@appleton.org	920/832-5924
Beloit	ChristensenJ@ci.beloit.wi.us	608/364-6703
Dane County*	basteam@co.dane.wi.us	608/261-9782
Eau Claire	Jennifer.Frueh@ci.eau-claire.wi.us	715/839-4943 x20
Fond du Lac	jangeli@fdl.wi.gov	920/929-3316
Green Bay	robst@ci.green-bay.wi.us	920/448-3411
Janesville	petruzzelloj@ci.janesville.wi.us	608/755-3107
Kenosha	ctonyg@kenosha.org	262/653-4048
La Crosse	escottl@cityoflacrosse.org	608/789-7512
Madison	MCharnitz@cityofmadison.com	608/261-9240
Milwaukee	smahan@milwaukee.gov	414/286-3842
Milwaukee County	ljackson@milwcnty.com	414/278-4877
Neenah	ckasimor@ci.neenah.wi.us	920/751-4661
Oshkosh	dbuck@ci.oshkosh.wi.us	920/236-5057
Racine	jheck@cityofracine.org	262/636-9151
Sheboygan	pender@ci.sheboygan.wi.us	920/459-3383
Superior	matsons@ci.superior.wi.us	715/394-0278
Waukesha*	glewinski@waukeshacounty.gov	262/548-7920
Wausau	mhmorrissey@mail.ci.wausau.wi.us	715/261-6686
Wauwatosa	jferguson@wauwatosa.net	414/479-8957
West Allis	pschloss@ci.west-allis.wi.us	414/302-8460

* See Next Page for DETAILS FOR SPECIFIC ENTITLEMENT AREAS

DETAILS FOR SPECIFIC ENTITLEMENT AREAS

COUNTIES AND ALL COMMUNITIES WITHIN THAT COUNTY THAT ARE NOT ELIGIBLE FOR COMMERCE CDBG FUNDS

Milwaukee County and **all** communities in Milwaukee County are **NOT ELIGIBLE** for Commerce CDBG funds.

COUNTIES THAT ARE NOT ELIGIBLE FOR COMMERCE CDBG FUNDS BUT HAVE COMMUNITIES WITHIN THAT ARE ELIGIBLE FOR COMMERCE CDBG FUNDS

DANE COUNTY

Dane County and the following communities in Dane County are **NOT ELIGIBLE** for Commerce CDBG funds:

Towns

Albion, Berry, Black Earth, Blooming Grove, Blue Mounds, Bristol, Burke, Christiana, Cottage Grove, Cross Plains, Dane, Deerfield, Dunkirk, Dunn, Madison, Mazomanie, Medina, Middleton, Montrose, Oregon, Pleasant Springs, Perry, Primrose, Roxbury, Rutland, Springdale, Springfield, Sun Prairie, Vermont, Verona, Vienna, Westport, Windsor, York

Villages

Black Earth, Blue Mounds, Cambridge, Cross Plains, Deerfield, Marshall, McFarland, Mount Horeb, Oregon, Shorewood Hills, Waunakee

Cities

Fitchburg, Madison, Middleton, Monona, Stoughton, Sun Prairie, Verona

Following are communities in Dane County that **ARE ELIGIBLE** for Commerce CDBG funds:

Villages

Belleville, Brooklyn, Cottage Grove, Dane, DeForest, Maple Bluff, Mazomanie, Rockdale

Cities

Edgerton

WAUKESHA COUNTY

Following are communities in Waukesha County that **ARE ELIGIBLE** for Commerce CDBG funds:

Villages

Chenequa and Oconomowoc Lake

Appendix B

DEPARTMENT OF HOUSING & URBAN DEVELOPMENT HOME PUBLIC JURISDICTIONS (ENTITLEMENT AREAS)

Community

Eau Claire	Keith.Johnathan@ci.eau-claire.wi.us	715/839-4943 x20
Green Bay	robst@ci.green-bay.wi.us	920/448-3411
Kenosha	cmarkm@kenosha.org	262/653-4048
La Crosse.....	escottl@cityoflacrosse.org	608/789-7512
Madison	prood@cityofmadison.com	608/261-9240
Milwaukee	smahan@milwaukee.gov	414/286-3842
Racine	joe.heck@cityofracine.org	262/636-9151

County

Dane County	mccartney@co.dane.wi.us	608/261-9782
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Consortia

Janesville/Rock County ...	romeneskoh@ci.janesville.wi.us	608/755-3107
Milwaukee County	gbottoni@milwcnty.com	414/278-4877
Waukesha/Washington/ Jefferson/Ozaukee.....	glewinski@waukeshacounty.gov	262/548-7921

Appendix C

County Groupings for Several Housing Programs that Apportion Funds to “Metro Milwaukee” counties, “Other Metro” counties, and “Balance of State” (non-metropolitan) counties

Grouping	Counties
Metro Milwaukee	Milwaukee, Ozaukee, Washington, Waukesha
Other Metro	Brown, Calumet, Chippewa, Dane, Douglas, Eau Claire, Kenosha, La Crosse, Marathon, Outagamie, Racine, Rock, St. Croix, Sheboygan, Winnebago
Balance of State	Adams, Ashland, Barron, Bayfield, Buffalo, Burnett, Clark, Columbia, Crawford, Dodge, Door, Dunn, Florence, Fond du Lac, Forest, Grant, Green, Green Lake, Iowa, Iron, Jackson, Jefferson, Juneau, Kewaunee, Lafayette, Langlade, Lincoln, Manitowoc, Marinette, Marquette, Menominee, Monroe, Oconto, Oneida, Pepin, Pierce, Polk, Portage, Price, Richland, Rusk, Sauk, Sawyer, Shawano, Taylor, Trempealeau, Vernon, Vilas, Walworth, Washburn, Waupaca, Waushara, Wood