



# Discontinuing CDBG Small Cities Housing RLF

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- Casey Dobson, Grant Specialist-Advanced
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# CDBG RLF HOUSING BACKGROUND

Early 1980s CDBG began providing funding to local communities via a competitive grant application every 2 years. Entitlements were not included.

Approximate 280 communities were awarded housing grants.

Awarded grantees would loan funds to eligible low to moderate income residents to make needed house repairs or provide homebuyer assistance. Assistance was also available for repairs or conversions for rental units.

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# CDBG RLF HOUSING BACKGROUND

The community provided funds to homeowners in the form of a deferred payment 0% interest mortgage loan on their place of residence. Rental loans were available with a variety of repayment terms.

When the funds were repaid, the community would establish a local revolving loan fund (RLF).

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# HOW DID WE GET HERE ?

2012 DEHCR started the regional housing program and discontinued the competitive application process.

Regions cover every non-entitlement community in Wisconsin.

Low to Moderate income (LMI) residents have access to the regional housing program.

LMI residents will no longer wait for their community to have funding available.

- Residents have to apply to their local RLF if the community had funds

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# HOW DID WE GET HERE ?

Currently there are 200+ RLF Housing communities.

Over 80 RLF communities have voluntarily discontinued their local housing program.

Cash on hand with local RLFs is approximately \$22 million.

Funds not being spent .

- For program year ending 3/31/24
  - 80 communities did not spend any funds
  - 26 communities spent less than \$1,000

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# HOUSING RLF BALANCES

|      | <b>Reported</b>  |
|------|------------------|
|      | Ending Balance   |
| 2024 | \$ 21,811,033.54 |
| 2023 | \$ 22,531,277.18 |
| 2022 | \$ 21,628,714.84 |
| 2021 | \$ 19,335,335.86 |
| 2020 | \$ 19,675,003.76 |
| 2019 | \$ 18,864,021.78 |



# 2025-2029 Consolidated Plan

- DEHCR held listening sessions for public input on the next Consolidated Plan

## Consolidated Plan Public Meeting

The Division of Energy, Housing and Community Resources (DEHCR) will hold listening sessions for the 2025 – 2029 Wisconsin 5-year Consolidated Plan. DEHCR has separately contacted all relevant organizations to provide input.

DEHCR requests feedback to help us define our goals and the prioritization of the covered funds in the years ahead at the following Public Meetings:

| Date                  | Time                 | Location  |
|-----------------------|----------------------|---|
| <b>June 18, 2024</b>  | <b>1 PM - 3 PM</b>   | <b>Menomonie – Public Library</b>   |
| <b>June 19, 2024</b>  | <b>10 AM - 12 PM</b> | <b>Stevens Point – Public Library</b>   |
| <b>June 25, 2024</b>  | <b>1 PM - 3 PM</b>   | <b>Crandon – Public Library</b>   |
| <b>July 16, 2024</b>  | <b>1 PM - 3 PM</b>   | <b>Platteville – Public Library</b>   |
| <b>August 7, 2024</b> | <b>6 PM - 8 PM</b>   | <b>Webinar only: <a href="https://us06web.zoom.us/j/86188721489">https://us06web.zoom.us/j/86188721489</a><br/>call-in option: (877) 873-8018 (US Toll Free),<br/>conference code: 352293</b> |

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# CONCERNS

Locally held RLF is not being spent as expected. HUD'S expectation is that funds revolve into the community every year

Multiple layers of RLF's (Village, County, Region) duplicate efforts, confuse clients and service providers from other programs and agencies. Difficult to provide a direct referral to the correct agency.

Turnover at local level can make it difficult to administer the CDBG RLF program.

Regional housing spending has slowed.

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# BENEFITS

The HUD expectation to spend unobligated program income will be met.

**EFFECTIVE:** CDBG funds will be used to address the shortage of affordable housing in Wisconsin.

**EFFICIENT:** State will improve delivery and oversight of the CDBG Housing program by consolidating program delivery within the existing seven CDBG Housing Regions.

**REDUCE COSTS:** Streamlined application process through one administrator (region) will reduce costs and provide a more efficient way to provide service. Eliminating the need for an applicant to contact multiple layers of CDBG programs to see how/where they should apply.

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# CDBG Regional Housing Program

Moving forward, all eligible residents will be served by the local CDBG Regional Housing Program.

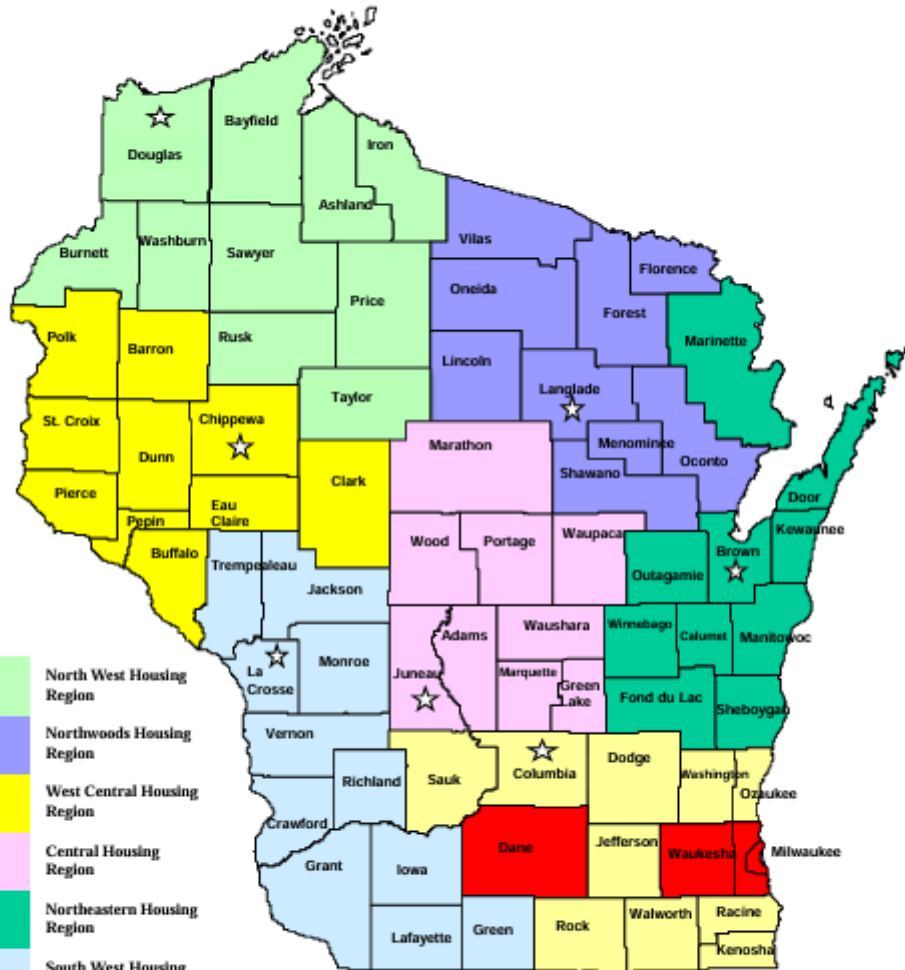
All counties are included in a housing region-excluding entitlements (Dane, Waukesha, Milwaukee counties, and larger cities).

Housing Regions are awarded grants every two years.

If additional funding is required by the regions to support additional applicants moving forward, amendments will be reviewed and awarded as needed.

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# CDBG HOUSING REGIONS



- North West Housing Region
- Northwoods Housing Region
- West Central Housing Region
- Central Housing Region
- Northeastern Housing Region
- South West Housing Region
- Southern Housing Region
- Entitlement Areas

☆ = Lead County

Rev. 08/02/2024

# CDBG HOUSING ADMINISTRATORS

## North West Region

Sheldon Johnson  
 Northwest Regional Planning  
 Commission  
 1400 S. River Street  
 Spooner, WI 54801  
 Phone: 715-635-2197  
 E-mail: sjohnson@nwrpc.com

## Northwoods Region

Kaytlin Gabrielson, Owner  
 BG & Associates  
 313 Prospect Street  
 Bear Creek, WI 54922  
 Phone: 715-752-4620  
 E-mail: kgabrielson1@gmail.com

## West Central Region

Jessica Mudgett, Executive Director  
 Chippewa County Housing Authority  
 711 N. Bridge Street, Room 14  
 Chippewa Falls, WI 54729  
 Phone: 715-726-7933  
 E-mail: jmudgett@chippewacountywi.gov

## Central Region

Julie A. Oleson, Executive Director  
 Juneau County Housing Authority  
 717 E. State Street  
 Mauston, WI 53948  
 Phone: 608-847-7309  
 E-mail: joleson.jcha@gmail.com

## Northeastern Region

Todd D. Mead  
 Brown County Planning Department  
 305 E. Walnut Street  
 Green Bay, WI 54305  
 Phone: 920-448-6480  
 E-mail: Todd.Mead@browncountywi.gov

## South West Region

Sara Berger  
 Coulecap Inc.  
 700 North 3<sup>rd</sup> St., Suite 202B  
 LaCrosse, WI 54601  
 Phone: 608-632-6512  
 E-mail: Sara.Berger@Coulecap.org

## Southern Region

Kari Justmann  
 MSA Professional Services  
 201 Corporate Drive  
 Beaver Dam, WI 53916  
 Phone: 1-800-552-6330  
 E-mail: Kjustmann@msa-ps.com

# NEXT STEPS



# Procedures for Discontinuing CDBG Housing RLF Programs

Each Community will submit the following to the CDBG Housing Revolving Loan Fund Program Manager at DECHR (Casey Dobson) for approval.

1. Revolving Loan Fund (RLF) Working Account Journal
2. Most recent CDBG Housing RLF bank statement
3. List of outstanding mortgage receivables (loan portfolio)





# Working Account Journal

| Village of ABC<br>REVOLVING LOAN FUND JOURNAL |                                  |           |               |                 |                 |                 |                   |                   |                   |               |
|---|----------------------------------|-----------|---------------|-----------------|-----------------|-----------------|-------------------|-------------------|-------------------|---------------|
| DATE  | DESCRIPTION                      | CHECK NO. | TOTAL DEPOSIT | RLF PROJECT     |                 |                 | RLF ADMIN         |                   |                   | TOTAL BALANCE |
|   |                                  |           |               | PROJECT DEPOSIT | PROJECT PAYMENT | PROJECT BALANCE | RLF ADMIN DEPOSIT | RLF ADMIN PAYMENT | RLF ADMIN BALANCE |               |
| 03/31/23                                      | Balance Carried Over             |           |               |                 |                 | \$30,000.00     |                   |                   | \$12,000.00       | \$42,000.00   |
| 04/20/23                                      | Administrator - Inv. R22         | 1         |               |                 |                 | \$30,000.00     |                   | \$4,000.00        | \$8,000.00        | \$38,000.00   |
| 04/30/23                                      | Interest                         |           | \$100.00      | \$83.00         |                 | \$30,083.00     | \$17.00           |                   | \$8,017.00        | \$38,100.00   |
| 05/31/23                                      | Project- Mario Family            |           |               | \$0.00          | \$15,000.00     | \$15,083.00     | \$0.00            |                   | \$8,017.00        | \$23,100.00   |
| 06/30/23                                      | Interest                         |           | \$100.00      | \$83.00         |                 | \$15,166.00     | \$17.00           |                   | \$8,034.00        | \$23,200.00   |
| 07/31/23                                      | Interest                         |           | \$100.00      | \$83.00         |                 | \$15,249.00     | \$17.00           |                   | \$8,051.00        | \$23,300.00   |
| 08/31/23                                      | Interest                         |           | \$100.00      | \$83.00         |                 | \$15,332.00     | \$17.00           |                   | \$8,068.00        | \$23,400.00   |
| 09/06/23                                      | Loan Payoff - Monique Roach      |           | \$25,000.00   | \$20,750.00     |                 | \$36,082.00     | \$4,250.00        |                   | \$12,318.00       | \$48,400.00   |
| 09/30/23                                      | Interest                         |           | \$100.00      | \$83.00         |                 | \$36,165.00     | \$17.00           |                   | \$12,335.00       | \$48,500.00   |
| 10/31/23                                      | Interest                         |           | \$100.00      | \$83.00         |                 | \$36,248.00     | \$17.00           |                   | \$12,352.00       | \$48,600.00   |
| 11/02/23                                      | Register of Deeds - Satisfaction | 2         |               |                 |                 | \$36,248.00     |                   | \$3,500.00        | \$8,852.00        | \$45,100.00   |
| 11/02/23                                      | Administrator - Inv. R24         | 3         |               |                 | \$30.00         | \$36,218.00     |                   |                   | \$8,852.00        | \$45,070.00   |
| 11/02/23                                      | Project- Adams Family            | 4         |               |                 | \$10,000.00     | \$26,218.00     |                   |                   | \$8,852.00        | \$35,070.00   |
| 11/30/23                                      | Interest                         |           | \$100.00      | \$83.00         |                 | \$26,301.00     | \$17.00           |                   | \$8,869.00        | \$35,170.00   |
| 12/31/23                                      | Interest                         |           | \$100.00      | \$83.00         |                 | \$26,384.00     | \$17.00           |                   | \$8,886.00        | \$35,270.00   |
| 01/31/24                                      | Interest                         |           | \$100.00      | \$83.00         |                 | \$26,467.00     | \$17.00           |                   | \$8,903.00        | \$35,370.00   |
| 02/29/24                                      | Project- Smith Family            |           |               | \$0.00          | \$20,000.00     | \$6,467.00      | \$0.00            |                   | \$8,903.00        | \$15,370.00   |
| 03/13/24                                      | Loan Payoff - Big Bird           |           | \$950.00      | \$788.50        |                 | \$7,255.50      | \$161.50          |                   | \$9,064.50        | \$16,320.00   |
| 03/13/24                                      | Loan Payoff - Tony Stark         |           | \$15,000.00   | \$12,450.00     |                 | \$19,705.50     | \$2,550.00        |                   | \$11,614.50       | \$31,320.00   |
| 03/31/24                                      | Interest                         |           | \$100.00      | \$83.00         |                 | \$19,788.50     | \$17.00           |                   | \$11,631.50       | \$31,420.00   |
|   |                                  |           |               |                 |                 |                 |                   |                   |                   |               |
|   |                                  | TOTAL     | \$41,950.00   | \$34,818.50     | \$45,030.00     |                 | \$7,131.50        | \$7,500.00        |                   |               |



# Bank Statement

**Bank**

Page: 2

Main: ( [REDACTED] )  
Fax: ( [REDACTED] )

## PERIODIC STATEMENT

Account #: [REDACTED]  
Nickname : RFL-CDBG

Mar 31, 2022

### Charges and Fees Related to Overdrafts and Returned Items

|                            | Total For This Period | Total Year-to-Date |
|----------------------------|-----------------------|--------------------|
| Total Overdraft Fees:      | 0.00                  | 0.00               |
| Total Returned Items Fees: | 0.00                  | 0.00               |

### Transaction Information

| Date  | Check# | Description  | Amount | Balance   |
|-------|--------|--|--------|-----------|
| 03/15 |        | ACH Credit [REDACTED]<br>of Frede ID# [REDACTED]       | 50.00  | 39,637.94 |
| 03/18 |        | Returned Deposited Item Fee<br>[REDACTED] V [REDACTED] |        |           |
| 03/31 |        | Board of Commissioners,<br>Same Day ACH                | 5.00-  | 39,632.94 |
| 03/31 |        | Interest Credit  | 30.50- | 39,602.44 |
|       |        |  | 1.68   | 39,604.12 |



# Loan Portfolio

|    | A         | B           | C              | D                        | E             | F           | G            | H                              |
|----|-----------|-------------|----------------|--------------------------|---------------|-------------|--------------|--------------------------------|
| 1  |           |             |                |                          |               |             |              |                                |
| 2  |           |             |                |                          |               |             |              |                                |
| 3  |           |             |                |                          |               |             |              |                                |
| 4  |           |             |                |                          |               |             |              |                                |
| 5  |           |             |                |                          |               |             |              |                                |
| 6  |           |             |                |                          |               |             |              |                                |
| 7  |           |             |                |                          |               |             |              |                                |
| 8  |           |             |                |                          |               |             |              |                                |
| 9  |           |             |                |                          |               |             |              |                                |
| 10 |           |             |                |                          |               |             |              |                                |
| 11 |           |             |                |                          |               |             |              |                                |
| 12 |           |             |                |                          |               |             |              |                                |
| 13 |           |             |                |                          |               |             |              |                                |
| 14 |           |             |                |                          |               |             |              |                                |
| 15 |           |             |                |                          |               |             |              |                                |
| 16 |           |             |                |                          |               |             |              |                                |
| 17 |           |             |                |                          |               |             |              |                                |
| 18 |           |             |                |                          |               |             |              |                                |
| 19 |           |             |                |                          |               |             |              |                                |
| 20 |           |             |                |                          |               |             |              |                                |
| 21 |           |             |                |                          |               |             |              |                                |
| 22 |           |             |                |                          |               |             |              |                                |
| 23 |           |             |                |                          |               |             |              |                                |
| 24 |           |             |                |                          |               |             |              |                                |
| 25 |           |             |                |                          |               |             |              |                                |
| 26 |           |             |                |                          |               |             |              |                                |
| 27 |           |             |                |                          |               |             |              |                                |
| 28 |           |             |                |                          |               |             |              |                                |
| 29 |           |             |                |                          |               |             |              |                                |
| 30 |           |             |                |                          |               |             |              |                                |
| 31 |           |             |                |                          |               |             |              |                                |
| 32 |           |             |                |                          |               |             |              |                                |
| 33 |           |             |                |                          |               |             |              |                                |
| 34 |           |             |                |                          |               |             |              |                                |
|    | LOAN DATE | LOAN NUMBER | BORROWER NAME  |                          | AMOUNT LOANED | AMOUNT PAID | Total        | COMMENTS                       |
|    | 08/23/11  | RFL 118     | Adams, B       | 123 Sesame Street, ABC   | \$ 8,000.00   |             | \$ 8,000.00  |                                |
|    | 08/11/11  | RFL1182     | Barry, C.      | 456 Sesamie Street, ABC  | \$ 6,000.00   |             | \$ 6,000.00  |                                |
|    | 06/01/20  | RLF206      | Fallon, J      | 234 Tree Ln, ABC         | \$ 31,500.00  |             | \$ 31,500.00 |                                |
|    | 09/19/17  | RLF179      | Hudgens, V     | W467 First Street, ABC   | \$ 3,000.00   |             | \$ 3,000.00  |                                |
|    | 10/31/17  | RLF179-2    | Hudgens, V     | W467 First Street, ABC   | \$ 500.00     |             | \$ 500.00    |                                |
|    | 12/05/18  | RLF 11812   | Goop, G        | 316 Allerton Ave, ABC    | \$ 7,000.00   | \$ 7,000.00 | \$ -         | satisfaction on 8/5/2024       |
|    | 01/16/19  | RLF 1191    | Styles, H      | 3205 Red DR, ABC         | \$ 12,000.00  |             | \$ 12,000.00 |                                |
|    | 05/18/18  | RLF1185     | Hill, J.       | 261 Andre Ave, ABC       | \$ 11,000.00  |             | \$ 11,000.00 |                                |
|    | 07/06/18  | RLF1185-2   | Hill, J.       | 261 Andre Ave, ABC       | \$ 2,000.00   |             | \$ 2,000.00  |                                |
|    | 01/02/14  | RLF14-1     | Sinatra, F     | 985 Vegas Dr, ABC        | \$ 4,000.00   |             | \$ 4,000.00  |                                |
|    | 08/13/14  | RLF148      | Cook, S.       | 765 Third St, ABC        | \$ 30,000.00  | \$ 3,000.00 | \$ 27,000.00 |                                |
|    | 04/24/19  | RLF194      | Swift, T       | 1212 Playground Ave, ABC | \$ 2,500.00   |             | \$ 2,500.00  |                                |
|    | 02/25/15  | RLF152      | Bryan, K.      | 1989 Comeala St, ABC     | \$135,800.00  |             | \$135,800.00 |                                |
|    | 04/30/19  | RLF119      | Jordan, M      | 1111 Angel Ct, ABC       | \$ 3,500.00   |             | \$ 3,500.00  |                                |
|    | 01/07/22  | RLF119-2    | Jordan, M      | 1112 Angel Ct, ABC       | \$ 37,000.00  |             | \$ 37,000.00 |                                |
|    | 06/10/22  | RLF119-3    | Jordan, M      | 1113 Angel Ct, ABC       | \$ 2,000.00   |             | \$ 2,000.00  |                                |
|    | 12/06/22  | RLF119-4    | Jordan, M      | 1114 Angel Ct, ABC       | \$ 5,500.00   |             | \$ 4,979.50  | Amended 12/22/22 to \$4,979.50 |
|    | 10/31/16  | RLF 1610    | Monster, C.    | 8965 Dover Rd, ABC       | \$ 9,000.00   |             | \$ 9,000.00  |                                |
|    | 06/26/17  | RLF 1610-2  | Monster, C.    | 8966 Dover Rd, ABC       | \$ 1,600.00   |             | \$ 1,600.00  |                                |
|    | 09/08/17  | RLF179      | Payton, F.     | 568 Ontario Dr., ABC     | \$ 6,000.00   |             | \$ 6,000.00  |                                |
|    | 10/20/17  | RLF179-1    | Payton, F.     | 569 Ontario Dr., ABC     | \$ 28,500.00  |             | \$ 28,500.00 |                                |
|    | 01/31/18  | RLF179-2    | Payton, F.     | 570 Ontario Dr., ABC     | \$ 10,000.00  |             | \$ 10,000.00 |                                |
|    | 10/09/18  | RLF179-3    | Payton, F.     | 571 Ontario Dr., ABC     | \$ 2,500.00   |             | \$ 2,500.00  |                                |
|    | 09/04/19  | RLF179-4    | Rogers, M.     | 341 Erie Place, ABC      | \$ 8,000.00   | \$ 5,000.00 | \$ 3,000.00  | Payments                       |
|    | 08/10/21  | RLF218      | Littlefield, M | 9835 Michigan St., ABC   | \$ 21,000.00  |             | \$ 21,000.00 | Amended 11/18/21               |
|    | 11/10/22  | RLF2211     | Fanning, K     | 561 Superior Ln, ABC     | \$ 12,000.00  |             | \$ 12,000.00 |                                |
|    | 05/19/20  | RLF2211-2   | Capaul, C.     | 984 Huron St, ABC        | \$ 20,000.00  |             | \$ 20,000.00 |                                |
|    |           |             |                |                          |               |             | \$ -         |                                |
|    |           |             |                |                          | \$419,900.00  | \$15,000.00 |              |                                |
|    |           |             |                |                          |               |             | \$358,879.50 |                                |

# Procedures Continued

## Administrative Costs at closeout.

Grantees should bill CDBG program administration for all administrative costs incurred prior to returning funds. This amount paid or to be paid should be shown in the administrative column of the working account journal





# Procedures Continued

Upon submission of the required documents, DEHCR will email a return of funds confirmation letter indicating the amount the grantee will need to return.

Community must submit a check for the entire balance of CDBG-Housing funds and the the latest checking account statement showing the balance-if any in the account.

Check must be made out to Wisconsin Department of Administration and mailed to 101 East Wilson Street, PO Box 7970, Madison, WI 53707.





# Timeline

| Proposed Date   | Activity   |
|---|--|
| <b>February 2025</b>  | <ul style="list-style-type: none"><li>• Listening sessions scheduled; two in person, one virtual session</li><li>• Discontinue letter emailed to all UGLG CEO's</li></ul>  |
| <b>April 2025</b>   | <ul style="list-style-type: none"><li>• Listening sessions completed</li></ul>   |
| <b>Timeline pending based on HUD's signature of the Consolidated Plan</b> | <ul style="list-style-type: none"><li>• No further applications accepted by RLF program for CDBG housing .</li><li>• Applicants referred to housing region.</li><li>• Letter to UGLGS on requirements to return funds, final annual report and completion report due dates.</li><li>• All CDBG Housing RLF construction is complete and paid in full.</li><li>• Required documentation due to DEHCR for review.</li><li>• Funds returned to DEHCR.</li><li>• Affordable housing applications available</li></ul> |



# ONGOING FILE MANAGEMENT



# File Management

Administrative and individual project files will continue to be maintained by the grantee.

Grantees will maintain ownership of mortgages currently held in their name.

Grantees must continue to accurately maintain their loan receivables/portfolios.

When a grantee receives client payments or payoffs, they will deposit these funds into their designated account. The payments and payoffs must be submitted to DEHCR at least monthly or as agreed upon by DEHCR.



# File Management

Grantee may retain up to \$250 of each loan paid in full to cover the costs associated with the loan satisfaction. Additional costs for an attorney to work on a foreclosure for a CDBG project will be reviewed on a case-by-case basis.

Grantees will be responsible for satisfactions and subordination requests.

Grantees will provide an updated and current mortgage receivable list to DEHCR when a payoff is received.

Grantees will provide a current mortgage receivable list to DEHCR annually, no later than January 31.



# Affordable Housing Conversion Project





# AFFORDABLE HOUSING CONVERSION-WHY?

Shortage of affordable housing units.

Funds on hand at the local level not sufficient for communities to develop their own units.

Provide communities opportunities to partner with non-profits and developers for developments that fit their community needs.

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# AFFORDABLE HOUSING CONVERSION- CONSIDERATIONS-NOT FINAL

## Competitive Application

Maximum award of \$3 Million not to exceed 50% of the total project cost. Used as gap funding.

50% of the award amount will be forgiven at the end of the 20 year-affordability period.

Funds can be used for acquisition and reconstruction-new construction not eligible.

Loans will be at 0% interest and deferred for 20 years.

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# AFFORDABLE HOUSING CONVERSION- CONSIDERATIONS-NOT FINAL

When creating rental units, 51% of the projects/units must be occupied by low to moderate income households (LMI), those whose income is less than 80% of the county median income.

When creating stand-alone single-family units (reconstruction), the unit must be occupied (rented or owned) by an LMI household.

The rents for the LMI units may not exceed the HUD established Fair Market Rent for the geographical area. The period of affordability must not be less than 20 years.

Grantee may charge a nominal management fee to the property/developer to cover the cost of administration associated with each project during the affordability period.

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# Contact Us

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