



State of Wisconsin
Department of Administration
(DUNS No. 80-903-6098)

State of Wisconsin Action Plan

**For CDBG Disaster Recovery Funds
Supplemental Appropriations for Disaster
Relief Act, 2018
(Public Law 116-20)**

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**State of Wisconsin ■ Tony Evers, Governor
Department of Administration ■ Joel Brennan, Secretary**

INTRODUCTION

The State of Wisconsin is required to publish an Action Plan for Disaster Recovery (Action Plan) that describes the proposed use of U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) funding associated with the Supplemental Appropriations for Disaster Relief Act, 2018 (Public Law 116-20, approved June 6, 2019) for disaster relief of unmet needs resulting from severe storms, tornadoes and flooding in the state. This document will describe:

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

This Action Plan will be used by the state to guide the distribution of \$15,355,000 of CDBG Disaster Recovery Funding toward meeting unmet housing, infrastructure, business, public service, public facility, and other needs in counties designated as Presidential Disaster Areas, as directed by Public Law 116-20 and HUD. This Action Plan is in relation to the U.S. Department of Housing and Urban Development's Notice of Funding Availability provided in Federal Register / Volume 85, Number 17, Docket No. FR-6182-N-01.

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THE EFFECT OF THE DISASTERS ON WISCONSIN'S RECOVERY NEEDS

On October 4, 2018, the State of Wisconsin requested a presidential declaration of a major disaster pursuant to Section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. §§ 5121-5207 (Stafford Act), and implemented by 44 CFR § 206.36. The request for declaration followed the severe storms, flooding, landslides, straight-line winds, and tornadoes that occurred August 17 - September 14, 2018. Counties impacted included Adams, Crawford, Dane, Dodge, Fond du Lac, Green Lake, Juneau, La Crosse, Marquette, Monroe, Ozaukee, Richland, Sauk, and Vernon counties for both Public Assistance and Individual Assistance; Iron County for Public Assistance only; and Columbia, Jefferson and Washington counties for Individual Assistance only.

Starting Friday, August 17, a very warm and moist air-mass set up across much of Wisconsin and then persisted through the first week in September. A series of storm systems caused multiple rounds of severe weather and flooding across portions of Wisconsin. The first of these systems moved through southern Wisconsin on August 17, bringing heavy rainfall and flooding across a wide area. The most widespread severe weather day was August 28, 2018, when 19 tornadoes and damaging winds of 90-110 mph occurred from central Wisconsin through east central Wisconsin. The last of the series of storm systems hit on September 5 causing major flooding on the river systems throughout southern Wisconsin. The Rock River at Lake Koshkonong, the last river in southern Wisconsin to recede below major flood stage, finally dropped below major flood stage on September 14. Record crests occurred on the Baraboo River at La Valle (25.2') and Reedsburg (21.85'), and the Kickapoo River at Viola (25.7'), Readstown (23.7'), Gays Mills (22.31'), and Steuben (20.5'). Seven dams failed in this event, resulting in the severe exacerbation of flooding downstream and additional residences impacted. Nine other dams suffered serious damage.

Beginning August 21, 2-1-1 Wisconsin volunteers worked tirelessly to collect damage reports and refer impacted households to available disaster resources. By September 25, 2-1-1 call centers had fielded a total of 4,559 damage reports. Within the 15 impacted counties, 728 callers reported sewage back-up in their basements, and at the time of their damage report 528 callers indicated they could not live in or use their property, and 327 reported flood waters were blocking access to their properties. Of the 15 counties affected during this weather event, Dane County sustained the most damage in the Black Earth Creek and Yahara River watersheds.

On August 17, 2018, six inches of rain fell on Eastern Dane County, causing heavy road damage and minor property damage. Three days later, on August 20, 2018, up to 15 inches of rain fell on Central and Western Dane County, breaking the 11.72 inch-precipitation record set in 1946. This overwhelmed watersheds and caused significant flooding and flash flooding in local rivers, lakes, and municipal storm water systems. As the event progressed, over 1,800 property owners in Dane County reported damages totaling more than \$70 million in losses. Businesses in Dane County reported over \$50 million in damages and profit losses. Public-sector damage exceeded \$28 million. The storm water contaminated private wells. Of the 623 wells tested in Dane County, more than 130 had bacterial contamination. Three emergency shelters were established in Dane County.

In Western Dane County, Black Earth Creek exceeded its previous flood stage record by nearly five feet, imposing devastating damage on the villages of Mazomanie, Cross Plains, and Black Earth. More than 20 percent of homes were flooded in each of these villages, and officials ordered evacuations in all three. Flooding caused a significant number of road and culvert washouts, effectively isolating these flood-damaged communities. Of Mazomanie's population, 14.2% reside below the poverty line, 10.6% are disabled, and only 9% of damaged homes have flood insurance because most are located outside of the floodplain.

Many of the communities impacted by this storm system are among the most economically
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vulnerable in the state. High poverty rates, an aging population, and significant unemployment have exacerbated the impacts of this event. Homes that have had repetitive flood damage over the years are now rendered completely unlivable. Lack of income and borrowing ability prevent homeowners from repairing critical housing components, like furnaces, water heaters, and foundations. Mold remediation and well testing are also beyond the ability of many residents to complete without assistance. An additional compounding factor is the lack of available housing units. Displaced individuals and families seeking permanent shelter were forced to travel long distances from their former communities and workplaces to find any available rental housing. Any available housing units are often out of the price range of displaced households. Paying for rental housing, while keeping up with mortgage payments on their primary homes is untenable for many displaced individuals in the impacted areas. Impacted parts of the state may see an increase in the number of mortgage foreclosures.

Damage estimates by county impacted include:

- **Adams County** – Verified damages in Adams County currently amount to \$362,424, resulting in a damage per capita amount of \$17.36.
- **Crawford County** – Verified damages in Crawford County currently amount to \$1,103,688, resulting in a high damage per capita amount of \$66.31.
- **Dane County** – Verified damages in Dane County currently amount to \$11,451,903, resulting in a damage per capita amount of \$23.46. All categories of work had documented damages.
- **Dodge County** – Verified damages in Dodge County currently amount to \$289,645, resulting in a per capita amount of \$3.26, which is less than the \$3.78 per capita indicator the county would need for inclusion in a declaration.
- **Fond du Lac, Green Lake, and Ozaukee** counties all had a damage per capita of less than \$10.00. Damages were verified in all categories of work.
- **Iron County** – Verified damages in Iron County currently amount to \$70,480. Damages resulted in a per capita amount of \$11.91.
- **Juneau County** – Verified damages in Juneau County currently amount to \$1,748,793, resulting in a high damage per capita amount of \$65.59.
- **La Crosse County** – Verified damages in La Crosse County currently amount to \$1,359,201, resulting in a damage per capita amount of \$11.86.
- **Marquette County** – Verified damages in Marquette County currently amount to \$972,109, resulting in a high damage per capita amount of \$62.94.
- **Monroe County** – Verified damages in Monroe County currently amount to \$3,353,164, resulting in a high damage indicator of \$75.06. More than 90% of all damage occurred to roads and bridges.
- **Richland County** – Verified damages in Richland County currently amount to \$308,134, resulting in a damage per capita amount of \$17.10.
- **Sauk County** – Verified damages in Sauk County currently amount to \$1,487,200, resulting in a damage per capita amount of \$24.00. All categories of work had documented cost.

- **Vernon County** – Of the fifteen counties, Vernon County has reported the highest countywide damage per capita loss at \$413.71. Verified damages in Vernon County currently amount to \$12,317,472. Damages occurred in all categories of work, with more than half due to multiple dam breaches.

METHOD OF DISTRIBUTION

The State of Wisconsin has developed this CDBG-DR program in compliance with the HUD-defined National Objectives and will make every effort to ensure that assistance is prioritized toward the most disadvantaged populations. Wisconsin intends to spend the majority of program funds on activities that benefit the Low-and-Moderate Income population. The State will spend no less than 70% of funds allocated for direct benefit to LMI households. Furthermore, the state will take necessary steps to ensure that the needs of very low-income households (30% AMI or below) and low-income households (30% - 50% AMI) are prioritized, followed by moderate income households (51% to 80% AMI).

As stewards of federal CDBG funds, the State of Wisconsin complies with the Department of Housing and Urban Development's (HUD) mission to develop viable communities by the provision of decent housing, a suitable living environment and expanding economic opportunities, principally for LMI persons. To this end, all funded activities administered by the State of Wisconsin will meet one of three named HUD national objectives:

- 1) Benefitting LMI Persons;
- 2) Preventing or Eliminating Slums or Blight; or
- 3) Meeting Urgent Needs.

Provisions of assistance will be made to eligible applicants in the identified impacted counties, as funds are available, with priority given to applicants with verified household income at 80% or below the area median income (AMI) for the region in which they reside. Any awards tied to infrastructure improvements will support housing needs and will depend on the type, scale and location of the project. HUD directed the State to spend at least 70% of the funds on LMI households. Distribution of funds is based on the individual citizen. The State will adhere to HUD's requirements to expend all funds within 6 years of the award date. In addition, the State will further target benefits within these income categories by considering racial, ethnic, disability and age-dependent status. Where practicable, racial, ethnic, disability and age-dependent populations will be prioritized for assistance.

PROGRAM BUDGET

The state will allocate the majority of program dollars for housing recovery activities due to demonstrated demand for housing assistance identified in the Unmet Needs Analysis. The State reserves the right to re-allocate funds among the eligible categories for assistance based on applications for assistance. If insufficient applications for housing assistance are received, the State will re-allocate CDBG DR resources to either Infrastructure or Economic Assistance. **The State does not anticipate expending CDBG-DR funds on Public Service or Urgent Need. The State has not identified any ineligible activities for funding utilizing the CDBG-DR award.**

Program	Amount Allocated	Minimum % to LMI	Minimum % to HUD-defined MID Areas
Rehabilitate Owner Occupied Housing	\$1,000,000	90%	81%
Rehabilitate Rental Housing	\$0	N/A	N/A
Build New Rental Housing	\$10,587,250	90%	86%
Build New Owner-Occupied Housing	\$1,000,000	90%	81%
Acquisition/Demolition	\$1,000,000	90%	81%
Assist Communities Repair or Replace Infrastructure	\$1,000,000	70%	81%
Provide Economic Assistance	\$0	N/A	N/A
Planning	\$0	N/A	N/A
Public Service	\$0	N/A	N/A
Urgent Need	\$0	N/A	N/A
Program Administration	\$767,750	0%	0%
TOTAL	\$15,355,000	84%	80%

Units of General Local Government (UGLG's) located within all 15 impacted counties are eligible to apply for program funds administered by the State. For the purpose of this Action Plan, the following counties are eligible for program assistance through the State:

- **Adams County**
- **Crawford County**
- **Dane County** – Most Impacted and Distressed designation
- **Dodge County**
- **Fond du Lac**
- **Green Lake**
- **Iron County**
- **Juneau County**
- **La Crosse County**
- **Marquette County**

- **Monroe County**
- **Ozaukee**
- **Richland County**
- **Sauk County**
- **Vernon County** – Most Impacted and Distressed designation

HUD has further stipulated that at least 80% of the allocation, or \$12,284,000 must address unmet needs within Dane and Vernon Counties.

LEVERAGING OF FUNDS

CDBG-DR funds are a last resort funding source. The state has worked with HUD, FEMA, SBA, other federal agencies and state-funded agencies to identify and catalog available sources of assistance for recovery from the floods. The State will ensure that CDBG-DR funds are only used to address funding needs not satisfied by other funding sources, many of which are already providing disaster relief, including, but not limited to:

- FEMA Individual Assistance grants
- FEMA Public Assistance grants
- FEMA Hazard Mitigation Grant Program
- SBA Disaster Loans
- National Flood Insurance Program payments
- Private insurance
- Federal Highway Administration Emergency Relief Program
- Natural Resources Conservation Service Emergency
- Watershed programs
- WI DNR's Municipal Flood Control Program

The State will seek out funding partners and attempt to maximize investments from additional financing sources for flood recovery efforts. In accordance with the Robert T. Stafford Act, as amended, the state will implement policies and procedures to ensure no individual receives duplication of benefit for the same purpose and/or effect to recover from the floods. Federal law prohibits any person, business concern, or other entity from receiving Federal funds for any part of such loss as to which the entity has received financial assistance under any other program, from private insurance, charitable assistance or any other source.

HOUSING PROGRAMS

Disaster Recovery funds are divided into three umbrella categories of eligible activity: Housing, Infrastructure and Economic Recovery. Based on analysis of the state's unmet needs and the limited amount of recovery funds made available, Wisconsin will first target recovery funds toward the most evident need in the area of Housing recovery. Any infrastructure projects undertaken with CDBG-DR funds will support either the provision of housing or the recovery of housing through providing family-supporting jobs, energy provision or expansion of energy availability or necessary upgrades to community infrastructure to support housing. DEHCR will leverage all stakeholder groups including, but not limited to: local units of government, federally-recognized Native American tribes, not-for-profit organizations, and public housing authorities to ensure all eligible recipients of funding are represented.

Housing buyouts will be targeted to high risk areas, which are defined as properties with repetitive loss or are located in a floodplain. The likely end use of properties bought out with CDBG-DR funds
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is vacant land. Any buyouts will be for real property only; for the purposes of this Action Plan, mobile homes will be considered real property. Property owners may be eligible for a housing incentive if bought-out to remain within the community they reside in. The incentive will depend on demand for funds.

The impact of the floods on the housing sector is estimated at a cost of \$13,230,216 in damage to single family homes and rental properties. Aging housing stock suffered damage across a full range of impacts including flood damage and structural damage to roofs and foundations from combined extensive rain. Hundreds of homes were destroyed or severely damaged, leaving families living in substandard or unsafe conditions, or causing them to be displaced from their communities and places of employment.

To assist the most vulnerable families in their recovery efforts, the State has developed a housing program to meet the housing needs as identified through the unmet needs assessment to include:

1. Repair/Rehabilitation of existing housing units;
2. Build new housing units
3. Acquisition/demolition
4. Mitigation enhancement measures, improvement of resilience,
5. Ancillary home improvements such as elevation and access ramps

Wisconsin will implement construction methods that emphasize high quality, durability, energy efficiency, sustainability, and mold resistance. All rehabilitation, reconstruction, and new construction will be designed to incorporate principles of sustainability, including water and energy efficiency, resilience, and mitigation against the impact of future disasters. Where feasible, the State will follow best practices such as those provided by the U.S. Department of Energy's Guidelines for Home Energy Professionals—Professional Certifications and Standard Work Specifications. As such, Wisconsin will comply with the Green Building Standard established in the Notice for the following activities: (i) all new construction of residential buildings; (ii) all replacement of substantially damaged residential buildings, and (iii) to the extent applicable, with guidelines specified in the HUD CPD Green Building Retrofit Checklist for the rehabilitation of non-substantially damaged residential buildings where the repair costs are less than 50% replacement cost, including standards for appliances and products when replaced as part of rehab. This requirement does not apply when Energy star, Water-Sense Labeled, or FEMP-designated products do not exist.

Wisconsin will implement and monitor construction results to ensure the safety of residents and the quality of homes assisted through the program. All Single Family and Multi-Family Rental Homes repaired must comply with the current HUD Housing Quality Standards (HQS). In addition, DEHCR will ensure sub-grantees make applicants aware of the risks associated with mold and take steps to limit the impact of any mold issues that may arise.

To prevent duplication of benefits, the State will require that all sources (federal, state, local, private) and amounts of disaster assistance received or reasonably anticipated to be received are documented by sub-grantees. Duplication of benefit for housing assistance will only consider other sources of funding pertaining to structural damage caused by the floods; assistance for contents and personal items will not be considered duplication.

Recipients must subrogate any additional funds received for damage caused by the disaster back to the State. CDBG-DR funding must be funding of last resort. If additional funds are paid to recipients for the same purpose as the housing assistance award they receive through State, CDBG-DR funding must be returned to the State of Wisconsin.

Wisconsin will ensure that affordability requirements are enforced through deed restriction, covenant, or similar mechanism dependent on the type and scope of the funded project. Recapture terms of granted or loaned funds for projects subject to affordability requirements will be provided to the applicant to the program prior to construction start. Wisconsin or its subrecipient will ensure that resale and recapture provisions for each funded project subject to these requirements are followed during project execution. The recapture provisions will be specific to each funded project, but at a minimum Wisconsin will:

- Enforce recapture of grant or loan funds if the affordability period is determined to be broken.
- Perform occasional site monitoring or subgrant monitoring responsibilities to subrecipients to ensure compliance.
- Include specific recapture provisions in applicable deed restrictions, covenants, liens, or other mechanisms so that a change of use or ownership may require repayment of funds.

Wisconsin or its subrecipients will review the facts and circumstances of items triggering recapture, such as a change of ownership or sale, and determine if the deficiency can be cured prior to initiating funds recapture.

SINGLE FAMILY HOUSING PROGRAM

Applicants applying for assistance must have suffered documented damage to their housing units as a result of the 2018 presidentially declared disaster. Such documentation may include an inspection report conducted by FEMA, SBA and/or a privately contracted inspector. The primary responsibility to obtain an inspection is on the citizen. If the sub-grantee does not believe the damage was a result of the 2018 disaster, the citizen will be denied assistance.

All applicant homeowners will be held to the following criteria as condition of eligibility:

- Applicant must own and have occupied a single-family home or Mobile Home Unit (MHU) located within the identified counties, for which FEMA Individual Assistance (IA) was approved for the 2018 presidentially declared disaster area.
- The property must have documented damage as a result of the declared disaster.
- Applicant must provide evidence of Primary Residence at the location in which the applicant currently lives or lived at the time of the event and for which they are seeking assistance. Households are allowed alternative ways to document proof of primary residency. They can do so by one of the following options:
 - a. any one (1) of the following: proof of FEMA IA assistance, Federal income tax return showing their permanent home address, government-issued identification issued prior to and expiring after impacted period, or property tax homestead exemption; **or**
 - b. by providing any two (2) of the following: utility bills mailed to the property address, vehicle registration or renewal at the address in the impacted period, receipt of government benefits received at least one month prior and one month after the impacted period, property insurance documents indicating the insured property as primary residence, or a sworn affidavit signed under penalty of perjury.
- One person on the application with an ownership interest in part or in whole on the property must be able to demonstrate U.S. Citizenship or Lawful Permanent Residence.

- The homeowner must agree to own the home and use the home as their primary residence for a period of 5 years after rehabilitation or mitigation as secured through a forgivable promissory note and lien.
- If located in a flood plain, the applicant must acquire flood insurance and comply with obligations to notify future owners of flood-insurance requirements.
- The definition of “not suitable for rehabilitation” will be defined in the policies and procedures governing the program.

In order to assist the most vulnerable populations with this disaster recovery funding, Wisconsin intends to prioritize assistance for all housing programs based on the following criteria:

- Individuals who are in the extremely low and very low-income brackets;
- Persons with documented disabilities;
- Age-dependent household members (aged 65 or older, or 5 or below).

BASIS FOR CALCULATING HOUSING ASSISTANCE AWARDS

If eligible and awarded, housing assistance calculations are based on the following factors:

1. Damage/scope of project work needed;
2. Pre-disaster housing unit value;
3. A review of funding from all sources to ensure no Duplication of Benefits (DOB);

Housing assistance will be determined after factoring in the inputs listed above, subtracting any unaccounted-for DOB, and then factoring in the pre-determined program assistance maximums that apply to the particular housing assistance activities to be used. Funds qualified as DOB may be required to be placed in escrow while assistance is provided. This process will follow guidance provided by: Duplication of benefits, 84 FR 28836 (2019).

The State will apply its existing award maximums for each type of housing assistance. Awards may include expenses for additional related costs such as elevation, insurance, ADA modifications or emergency repair of water or sewer connections. The State will consider changes to the maximum award amounts for applicants who demonstrate undue hardship as well as other exceptional situations. Demonstrable hardship may include but is not limited to: prolonged job loss, substantial reduction of household income, death of a family member on whom the surviving household was financially dependent, illness, unexpected and extraordinary medical bills, disability, etc.

The State will address the access and functional needs of individual citizens in all phases of the recovery process, especially in the intake and housing repair or replacement phases. Consideration will be made for citizens with communication limitations, disabilities, who are elderly, or have chronic medical disorders. Cost effective energy measures and improvements that meet Housing Quality Standards, especially those improvements which add enhanced resilience, such as elevation of major electrical components, roof-strapping, enhanced tie-downs and other items are also eligible. Lead-based paint abatement, asbestos abatement, or other remediation components shall also be eligible.

Limited temporary relocation assistance will be provided to award recipients needing to move out of homes during construction on a case-by-case basis.

FLOOD INSURANCE AND ELEVATION

Wisconsin will implement resilient home construction standards. Wisconsin will follow HUD guidance to ensure all structures, defined at 44 CFR 59.1, designed principally for residential use and located in the 1 percent annual (or 100-year) floodplain that receive assistance for new construction, repair of substantial damage, or substantial improvement, as defined at 24 CFR 55.2(b)(10), must be elevated with the lowest floor, including the basement, at least two feet above the 1 percent annual floodplain elevation. Residential structures with no dwelling units and no residents below two feet above the 1 percent annual floodplain, must be elevated or floodproofed, in accordance with FEMA floodproofing standards at 44 CFR 60.3(c)(3)(ii) or successor standard, up to at least two feet above the 1 percent annual floodplain.

After a review of the average cost of elevation (including elevation design, engineering, other “soft costs” of elevation), the average cost of repair, and a comparison to the cost of a comparable reconstruction, Wisconsin has determined that elevation is not likely a suitable alternative to reconstruction. This determination is based on the cost of elevation compared to a safer, more resilient, and mitigated reconstruction project. Wisconsin has accordingly determined the elevation option to be secondary to reconstruction and is not offered as a part of the rehabilitation scope. Applicants may appeal to have their property elevated as a part of a rehabilitation rather than reconstructed. In some instances, reconstruction will not be allowable (such as in the case of historic dwellings), and elevation may need to be pursued instead. Wisconsin will make determinations on these instances on a case-by-case basis and will document its reasons for elevation, should any be funded.

Property owners assisted through the recovery program will be required to acquire and maintain flood insurance if their properties are located in a FEMA designated floodplain. The elevation height of a house can significantly reduce the cost of flood insurance. Wisconsin will ensure that assisted property owners comply with all flood insurance requirements, including the purchase and notification requirements described below, prior to providing assistance. Wisconsin will ensure adherence to Section 582 regarding the responsibility to inform property owners receiving disaster assistance that triggers the flood insurance purchase requirement that they have a statutory responsibility to notify any transferee of the requirement to obtain and maintain flood insurance, and that the transferring owner may be liable if he or she fails to do so.

Generally, the State will not provide assistance for flood insurance. In cases of demonstrable hardship, the State may provide limited, temporary assistance for the provision of flood insurance in order to properly secure the federal investment in the property. Additionally, applicants found to be currently non-compliant with FEMA regulations or who failed to comply with the requirements of the National Flood Insurance Reform Act (NFIRA) are not eligible for assistance in the program. An applicant is FEMA non-compliant if they failed to obtain and maintain flood insurance after receiving federal funding for a previous disaster.

AFFORDABLE RENTAL PROGRAM

DEHCR will allocate funding for an Affordable Rental Program to repair and restore the availability of affordable rental stock in the impacted area. The program will provide assistance to rental property owners for eligible activities including the rehabilitation and associated improvements, such as energy efficiency and resilience activities, of multi-family rental properties.

Benefit to Low and Moderate Income (LMI) persons is the only National Objective that is approved for the Rental Program. In order to receive assistance, the property owner must agree to a affordability lease-up requirement. The affordability requirement requires the property owner to lease at least 51% the units to LMI households earning 80% or less of the county median income and to lease the units at affordable rents. Rents must comply with the maximum HUD HOME rent limits. The maximum HUD HOME rents are the lesser of:

- The fair market rent for existing housing for comparable units in the area as established by HUD under 24 CFR 888.111; **or**
- A rent that does not exceed 30 percent of the adjusted income of a family whose annual income equals 65% of the AMI, as determined by HUD, with adjustments for number of bedrooms in the unit. The HOME rent limits provided by HUD will include average occupancy per unit and adjusted income assumptions.

INFRASTRUCTURE PROGRAM

Infrastructure projects selected for funding must support housing recovery or new housing development to be approved for funding. Examples include but are not limited to: roads, schools, drainage improvements, water, sewer, and wastewater treatment facilities, parks, and other public facilities that communities have determined are important publicly owned assets. Wisconsin will encourage activities related to storm water management in flood-impacted areas. Specifically, Wisconsin will work with the MID areas directly to identify unmet needs and associated costs of needed storm water infrastructure. Wisconsin does not require a formal cost-benefit analysis; however, a review of costs compared to benefits will be performed as a condition of project selection and applicants will be asked to itemize costs and quantify benefits when submitted applications for funding. Infrastructure improvements must also consider local plans and policies and reduce future risk to the recovering jurisdiction or municipality. This includes an analysis of how multiple sources of funds interface to complete the project.

As these funds are likely to be oversubscribed due to the size of the federal award, applicants must demonstrate that the facility was damaged by the weather event, or that an unmet recovery need remains, that other avenues for funding have been exhausted, or that the facility is critical to restoring, recovering, or building housing. New infrastructure projects may be considered, if needed for additional or improved housing stock within the impacted jurisdiction.

Infrastructure projects must comply with the elevation requirements described for Housing projects above. Infrastructure projects must include an analysis of mitigation measures included in the infrastructure repair or new infrastructure, and how those measures align with local, regional, or state mitigation plans. Infrastructure projects must also avoid disproportionate impact on vulnerable populations and should create opportunities to address economic inequities facing recovery communities. These considerations will be part of the application for funds.

COST VERIFICATION

Construction costs must remain reasonable and consistent with market costs at the time and place of construction. Costs are controlled on housing projects, including those with eight or more units, as well as infrastructure projects through a competitive selection process. For all housing projects, cost-per-unit will be heavily weighted in the selection criteria.

ANTI-DISPLACEMENT

The State will minimize displacement of persons or entities and assist persons or entities displaced as a result of implementing a project with CDBG-DR funds. However, the State retains the ability to conduct buyouts or acquisitions for destroyed and extensively damaged units or units in a floodplain. The State will ensure that the assistance and protections afforded to persons or entities under the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA), and Section 104(d) of the Housing and Community Development Act of 1974 are available. The URA provides that a displaced person is eligible to receive a rental assistance payment that covers a period of 42 months. The State accepts the HUD waiver of the Section 104(d) requirements which assures uniform and equitable treatment by setting the URA and its implementing regulations as the sole standard for relocation assistance under FR-5938-N-01. The State will designate a URA specialist to ensure compliance with the Uniform Relocation Act (URA), where applicable.

PROGRAM ADMINISTRATION

CITIZEN PARTICIPATION PLAN

The State values citizen and stakeholder engagement. Wisconsin has developed a Citizen Participation Plan in compliance with § 24 CFR 91.115 and applicable HUD requirements to set forth the policies and procedures applicable to citizen participation, intended to maximize the opportunity for citizen involvement in the planning and development of the Wisconsin CDBG-DR recovery program. The goal of the Citizen Participation Plan is to provide all Wisconsin residents with an opportunity to participate in the planning and assessment of the State's CDBG-DR recovery programs. DEHCR will leverage all stakeholder groups including, but not limited to: local units of government, federally-recognized Native American tribes, not-for-profit organizations, and public housing authorities to ensure all eligible recipients of funding are represented.

The Division shall encourage participation in the development of its CDBG-DR award through the following means as appropriate:

- 1) Mass mailing paper copies or emailing electronic copies of notices to the assembled distribution lists of the Division of Energy, Housing and Community Resources and local unit of government clerks.;
- 2) Notices to the various media outlets;
- 3) Listening sessions and information dissemination at statewide affordable housing and homeless conferences and other relevant events.
- 4) Posting of public notices concerning the CDBG-DR award on the Internet at the Wisconsin DOA-DEHCR website.
- 5) Online comment opportunity on the State of Wisconsin DOA-DEHCR website.

Participation of Municipalities and Other Units of Government

The Division of Energy, Housing and Community Resources shall notify municipalities and other units of government by posting updates to its website.

The Division of Energy, Housing and Community Resources shall solicit ideas regarding the distribution method and priorities for housing and community development funds annually at related conferences and events. The target audiences are units of government, housing agencies, economic development associations, consultants, homeless and special needs service providers. The Division of Energy, Housing and Community Resources may engage the committee process when soliciting comments and input regarding program design.

Participation of Public and Private Agencies

Public and private sector agencies that provide assisted housing, health services, social services, and economic development shall receive notification by mail or email of the CDBG-DR award Action Plan development. The Division shall encourage written and electronic comments and attendance at listening sessions, public hearings and use of the Wisconsin DOA-DEHCR website. In addition, the Division shall work with representatives from public and private agencies to help with data analysis and to provide feedback on Wisconsin's housing and community development needs and potential solutions.

Public and quasi-public agencies include: the Wisconsin Economic Development Corporation (WEDC), WHEDA; the Departments of Health Family Services, Children and Families, Administration, Veterans Affairs, and Corrections, the University of Wisconsin, USDA Rural Development, and local county or nonprofit economic development associations.

Private agencies include grantee and applicant organizations of the Division of Energy, Housing and Community Resources which are located throughout the state, and statewide agencies such as: Foundation for Rural Housing; Wisconsin Community Action Program Association; and the Wisconsin Association of Housing Authorities.

Participation of Citizens

The Division of Energy, Housing and Community Resources shall encourage the participation by Wisconsin's citizens in the CDBG-DR award Action Plan development. In order to maximize the participation of citizens of low income, with mobility or other impairments, or with a language barrier, the Division shall, in addition to the steps outlined above:

- 1) Provide an online survey on the Wisconsin DOA-DEHCR website to capture comments and recommendations for CDBG-DR award Action Plan programs and priorities in multiple languages including English, Spanish and Hmong.
- 2) Notify through mail or email the availability of the online survey for the CDBG-DR award Action Plan development.
- 3) Schedule hearings and forums at times and locations that are convenient to potential and actual beneficiaries.
- 4) Ensure that hearing and forum sites can accommodate persons with mobility impairments (the advertisement mentioned above will include this information).
- 5) Arrange for special communication accommodations in multiple languages, if notified by potential participants at least one week prior to the public hearing.
- 6) Accept comments via email and TTY in multiple languages.

Access to Information

The Division of Energy, Housing and Community Resources shall make available to units of local government, citizens, agencies, and other interested parties information on the amount of anticipated revenue for housing and community development activities for the following year. Furthermore, the Division of Energy, Housing and Community Resources shall make available information on its proposed range of activities, including the estimated amounts of funds that are proposed to benefit persons or low and moderate income. The Division of Energy, Housing and Community Resources shall address and minimize any displacement that its activities would create. The Division will provide assistance to any persons displaced, will specify the types and levels of assistance the Division will make available (or require others to make available) to persons displaced, even if the Division expects no displacement to occur. This information will be available upon request.

Publication of Proposed CDBG-DR Action Plan

The Division of Energy, Housing and Community Resources shall have the proposed CDBG-DR Action Plan available in print and by electronic means on the Internet.

The public comment period for the proposed CDBG-DR Action Plan will be at least thirty days. The Division of Energy, Housing and Community Resources shall publish a notice of the availability for comment in the Wisconsin State Journal on or before the first day of the comment period.

The Division of Energy, Housing and Community Resources shall publish a summary in the Wisconsin State Journal. This summary will include how the public can obtain copies or examine the proposed CDBG-DR Action Plan.

The Division of Energy, Housing and Community Resources shall also make copies available free of charge to the public, both in printed form and by electronic means. A reasonable number of copies will be printed; if that supply is exhausted, the Division of Energy, Housing and Community Resources shall provide additional copies in electronic form only.

Comments on the CDBG-DR Action Plan should be sent to the Division of Energy, Housing and Community Resources, Department of Administration, P.O. Box 7970, Madison, WI 53707-7970.

The Division of Energy, Housing and Community Resources shall consider the comments it receives during the comment period as it prepares the final CDBG-DR Action Plan. The Division of Energy, Housing and Community Resources shall append a summary of these comments, both those accepted and those rejected, to the final CDBG-DR Action Plan.

To enable the public to provide input to the State on the CDBG-DR Action Plan, the Division of Energy, Housing and Community Resources published notice in the Wisconsin State Journal in the April 7 and April 14, 2020 issues of its intention to hold a public hearing on April 21, 2020 regarding the CDBG-DR Action Plan and Unmet Needs Analysis and posted the Draft CDBG-DR Action Plan and Unmet Needs Analysis to its internet site for public comment from April 21, 2020 through May 21, 2020. This was done in accordance with the Citizen Participation Plan. In addition, the State provided notice on the State's Public Notice website advertising the Public Hearing.

The Division received 7 public comments from various advocacy groups and concerned citizens on its CDBG-DR Action Plan. The main topic brought up in these public comments was the desire to expand HUD's Most Impacted and Distressed (MID) county designation to include Vernon County. The State concurs with the input based on available data as well as local knowledge and requested HUD make this change in its letter dated April 22, 2020. HUD concurred with this analysis and *State of Wisconsin Action Plan for CDBG Disaster Recovery Funds (Pub. L. 116-20)*

expanded the MID to include Vernon County in its letter to the Division. All 7 public comments and the Division's response to each can be found in Appendix X.

ACTION PLAN AMENDMENTS

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

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

If enough applications meeting the criteria described in a Division of Energy, Housing and Community Resources program are not received, the Division of Energy, Housing and Community Resources reserves the right to redirect the program's unused funds to other programs described to ensure maximum utilization of funds without a substantial amendment.

Prior to the submission of a substantial amendment to HUD, the Division of Energy, Housing and Community Resources shall publish notice of its intention to make the substantial amendment in the Wisconsin State Journal. The text of the proposed substantial amendment will be available from the Division of Energy, Housing and Community Resources.

The comment period will be not less than 30 days in length unless the Department of Housing and Urban Development waives the 30-day comment period. The Division of Energy, Housing and Community Resources shall consider any comments or views received when preparing the final version of the substantial amendment.

Comments should be sent to the Division of Energy, Housing and Community Resources, Department of Administration, P.O. Box 7970, Madison, WI 53707-7970.

The Division of Energy, Housing and Community Resources shall append a summary of these comments, both those accepted and those rejected, to the final version of the substantial amendment.

PERFORMANCE REPORTS

In accordance with HUD requirements, Wisconsin will submit a Quarterly Performance Report (QPR) through the HUD Disaster Recovery Grant Reporting (DRGR) system no later than thirty days following the end of each calendar quarter. Within three days of before submission to HUD, Wisconsin will post each QPR for public review and comment on The Division of Energy, Housing and Community Resources website. Program QPR's will be posted on a quarterly basis until all funds have been expended and all expenditures have been reported.

Comments should be sent to the Division of Energy, Housing and Community Resources, Department of Administration, P.O. Box 7970, Madison, WI 53707-7970

ACCESSIBILITY OF CONSOLIDATED PLAN, AMENDMENTS, AND PERFORMANCE REPORT TO PUBLIC

Availability of Documents

The Division of Energy, Housing and Community Resources shall make available to the public the final Consolidated Plan, any substantial amendments, and annual performance reports. Copies will be available in printed form or electronic means.

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Interested parties should request printed or electronic copies from the Division of Energy, Housing and Community Resources, Department of Administration, P.O. Box 7970, Madison, WI 53707-7970.

The Division of Energy, Housing and Community Resources shall make these materials also available in a format for persons with disabilities and in multiple languages upon request.

Access to Records

The Division of Energy, Housing and Community Resources shall make available to citizens, public agencies, and other interested parties its records relating to the Consolidated Plan, and the use of assistance under this Plan. The Division of Energy, Housing and Community Resources may provide certain data, if voluminous, only in summary format. Any information released will protect the confidentiality of program beneficiaries.

The Division of Energy, Housing and Community Resources shall make an effort to respond to requests for records within fifteen working days.

The Division of Energy, Housing and Community Resources shall maintain such records for a period of five years.

Interested parties should request records on the CDBG, HOME, ESG and HOPWA programs from the Division of Energy, Housing and Community Resources, Department of Administration, P.O. Box 7970, Madison, WI 53707-7970.

Interested parties should request records on the HTF program from the Wisconsin Housing and Economic Development Authority, P.O. Box 1728, Madison, WI 53701-1728.

CITIZEN PARTICIPATION REQUIREMENTS FOR LOCAL GOVERNMENTS (CDBG PROGRAM)

Units of general local government applying for CDBG funding must adhere to the citizen participation requirements promulgated in the Code of Federal Regulations, Part 24, Section 570.486 (24 CFR §570.486). Specifically, the Division of Energy, Housing and Community Resources shall require that local governments:

- 1) adopt a resolution in support of a citizen participation plan that is in conformance with 24 CFR §570.486;
- 2) include the citizen participation plan in its CDBG application materials;
- 3) provide evidence (e.g., sign-in lists for public hearings) that elements of the citizen participation plan were followed in the preparation of its CDBG application.

COMPLAINTS

The Division of Energy, Housing and Community Resources shall accept any complaint concerning the CDBG-DR Action Plan, substantial amendments, and annual performance reports. Complaints should be in written form and should be mailed to:

Division of Energy, Housing and Community Resources, Department of Administration, P.O. Box 7970, Madison, WI 53707-7970

The Division of Energy, Housing and Community Resources shall respond to complaints in writing within fifteen working days. Complaints should be addressed to the Division of Energy, Housing and Community Resources, Department of Administration no later than one year after their comment period expires.¹

PROGRAM INCOME

The State does not intend to implement any programs that generate income as described in 24 CFR 570.489.

If program income is generated, the State of Wisconsin will follow guidance provided in 19. Program income alternative requirement on pages 13 – 14 of 83 FR 6066 (2018). Per that guidance, income received prior to the grant closeout will be utilized as additional CDBG-DR funds in the same manner as other CDBG-DR funds referenced. Any income received after the grant closeout, will be transferred to Wisconsin's annual CDBG award.

PRE-AGREEMENT ACTIVITIES

The provisions of 24 CFR 570.489(b) and 570.200 (h), as clarified by CPD notice 14-17, permits a state to reimburse itself for otherwise allowable costs incurred by itself or its recipients sub grantees or sub recipients on or after the incident of the covered disaster. The provisions at 24 CFR 570.200(h) and 570.489(b) apply to grantees reimbursing costs incurred by itself or its recipients or subrecipients prior to the execution of a grant agreement with HUD. This includes but is not limited to activities supporting program development, action plan development and stakeholder involvement support and other qualifying eligible costs incurred in response to an eligible disaster covered under Public Law 116-20.

DEHCR incurred pre-award costs and is seeking reimbursement for these costs that are reasonable and allowable under this regulation. DEHCR intends to recover the pre-award costs consistent with the authority cited in this section. These costs include the cost for salary, employer fringe benefits, and direct operating cost for each employee based on their individual percentage of time spent on the planning of the CDBG-DR program during a pay period.

MONITORING

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

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

¹ Editing note: The Final Rule is silent on the length of time within which complaints should be accepted. Given that amendments are generally issued annually, and the action plan is updated annually, a one-year limit on complaints is a reasonable time standard.

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

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

D. Every attempt will be made to provide written notice at least 30 days in advance of the scheduled visit.

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

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

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

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

GRANTEE CERTIFICATIONS

Certifications

- a. The State of Wisconsin certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan in connection with any activity assisted with funding under the CDBG program.
- b. The State of Wisconsin certifies its compliance with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by part 87.
- c. The State of Wisconsin certifies that the action plan for Disaster Recovery is authorized under State and local law (as applicable) and that the State, and any entity or entities designated by the State, and any contractor, subrecipient, or designated public agency carrying out an activity with CDBG-DR funds, possess(es) the legal authority to carry out the program for which it is seeking funding, in accordance with applicable HUD regulations and this notice. The State certifies that activities to be undertaken with funds under this notice are consistent with its action plan.
- d. The State of Wisconsin certifies that it will comply with the acquisition and relocation requirements of the URA, as amended, and implementing regulations at 49 CFR part 24, except where waivers or alternative requirements are provided for in this notice.
- e. The State of Wisconsin certifies that it will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR part 135.
- f. The State of Wisconsin certifies that it is following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.105 or 91.115, as applicable (except as provided for in notices providing waivers and alternative requirements for this grant). Also, each UGLG receiving assistance from a State grantee must follow a detailed citizen participation plan that satisfies the requirements of 24 CFR 570.486 (except as provided for in notices providing waivers and alternative requirements for this grant).
- g. Each State receiving a direct award under this notice certifies that it has consulted with affected UGLGs in counties designated in covered major disaster declarations in the non-entitlement, entitlement, and tribal areas of the State in determining the uses of funds, including the method of distribution of funding, or activities carried out directly by the State.
- h. The State of Wisconsin certifies that it is complying with each of the following criteria:
 1. Funds will be used solely for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas for which the President declared a major disaster in 2018 pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (42 U.S.C. 5121 et seq.).
 2. With respect to activities expected to be assisted with CDBG-DR funds, the action plan has been developed so as to give the maximum feasible priority to activities that will benefit low- and moderate-income families.
 3. The aggregate use of CDBG-DR funds shall principally benefit low- and moderate-income families in a manner that ensures that at least 70 percent (or another percentage permitted by

HUD in a waiver published in an applicable Federal Register notice) of the grant amount is expended for activities that benefit such persons.

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

i. The State of Wisconsin certifies that the grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) and the Fair Housing Act (42 U.S.C. 3601-3619) and implementing regulations, and that it will affirmatively further fair housing.

j. The State of Wisconsin certifies that it has adopted and is enforcing the following policies, and, in addition, States receiving a direct award must certify that they will require UGLGs that receive grant funds to certify that they have adopted and are enforcing:

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

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

k. Each State or UGLG receiving a direct award under this notice certifies that it (and any subrecipient or administering entity) currently has or will develop and maintain the capacity to carry out disaster recovery activities in a timely manner and that the State has reviewed the requirements of this notice and requirements of Public Law 114-113 applicable to funds allocated by this notice, and certifies to the accuracy of Risk Analysis Documentation submitted to demonstrate that it has in place proficient financial controls and procurement processes; that it has adequate procedures to prevent any duplication of benefits as defined by section 312 of the Stafford Act, to ensure timely expenditure of funds; that it has to maintain a comprehensive disaster recovery Web site to ensure timely communication of application status to applicants for disaster recovery assistance, and that its implementation plan accurately describes its current capacity and how it will address any capacity gaps.

l. The State of Wisconsin certifies that it will not use CDBG-DR funds for any activity in an area identified as flood prone for land use or hazard mitigation planning purposes by the State, local, or tribal government or delineated as a Special Flood Hazard Area in FEMA's most current flood advisory maps, unless it also ensures that the action is designed or modified to minimize harm to or within the floodplain, in accordance with Executive Order 11988 and 24 CFR part 55. The relevant data source for this provision is the State, local, and tribal government land use regulations and hazard mitigation plans and the latest issued FEMA data or guidance, which includes advisory data (such as Advisory Base Flood Elevations) or preliminary and final Flood Insurance Rate Maps.

m. The State of Wisconsin certifies that its activities concerning lead-based paint will comply with the requirements of 24 CFR part 35, subparts A, B, J, K, and R.

n. The State of Wisconsin certifies that it will comply with applicable laws.

[Signed Certifications submitted to HUD]

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_____ Signature of Authorized Official	_____ Date

Joel Brennan, Secretary, State of Wisconsin Department of Administration