

APPENDIX A: WI SUBSTANTIAL AMENDMENT #3 PUBLIC COMMENTS

1. Charlie Knower

To Whom It Concerns,

I am writing to ask that you reconsider any funding changes to the CDBG Revolving Loan Fund, as proposed by the DEHCR as a draft Substantial Amendment 3 to the State's 2015-2019 Consolidated Plan. Through the years, this highly successful program in Vernon County has helped numerous small businesses grow, add hundreds of employees and upgrade their infrastructure -- all of which are vital to a healthy economy. The results of the locally controlled program speak for themselves, as Vernon County continues to draw newcomers to the area, new residents who invest in the local community as business and property owners. Any changes to or redirection of funding and authority would be nothing but detrimental. Vernon County has proven it can handle its financial decisions well, without any outside assistance, and I ask that the county remain in charge of this important program.

Sincerely,

Charlie Knower

314 Minshall Ave

Viroqua, WI 54665

Charlie Knower

608.620.8785 Cell

charlie.knower@gmail.com

2. Scott Champion

To Whom It May Concern,

I am writing to ask that you abandon any funding changes to the CDBG Revolving Loan Fund, as proposed by the DEHCR as a draft Substantial Amendment 3 to the State's 2015-2019 Consolidated Plan.

Local administration of this program in our county has been vital to its success. Through the years, this program has helped numerous small Vernon County businesses grow, add hundreds of employees and upgrade their infrastructure -- all of which are vital to a healthy economy. The results of the locally controlled program speak for themselves, as Vernon County continues to draw newcomers to the area, new residents who invest in the local community as business and property owners.

Any changes to or redirection of funding and authority would be highly detrimental. Vernon County has proven it can handle its financial decisions well, without any outside assistance, and I ask that the county remain in charge of this important program.

Thank you,

Scott Champion

E6973 E Sidie Hollow Road

Viroqua, WI 54665

(608) 606-2682

3. Sarah Mayer

Good Afternoon,

As a concerned citizen, I am writing to ask that you abandon any funding changes to the CDBG Revolving Loan Fund, as proposed by the DEHCR as a draft Substantial Amendment 3 to the State's 2015-2019 Consolidated Plan.

Local administration of this program in our county has been vital to its success. Through the years, this program has helped numerous small Vernon County businesses grow, add hundreds of employees and upgrade their infrastructure -- all of which are vital to a healthy economy. The results of the locally controlled program speak for themselves, as Vernon County continues to draw newcomers to the area, new residents who invest in the local community as business and property owners.

Any changes to or redirection of funding and authority would be highly detrimental. Vernon County has proven it can handle its financial decisions well, without any outside assistance, and I ask that the county remain in charge of this important program.

Thank you,

Sarah Mayer
E6973 E Sidie Hollow Road
Viroqua, WI 54665
(608) 606-2684

4. Barb Mashack

Good Afternoon,

In the RLF closeout draft, I understand the formula for RLF funds returned to the state is cash balance plus outstanding loans less failed loans. Please consider removing failed loans from the formula. In 1995, the City of Ripon received a \$411,000 grant from the Wisconsin Department of Commerce for our first RLF loan. Including that loan, the city has \$1,382,551 in successful closed RLF loans. We have \$480,000 in active loans with \$226,653 paid off to date. In effect, the city has grown the program from \$411,000 to \$1,862,551 in successful loans. The city has two failed loans with \$45,020 balance after the borrowers filed for bankruptcy. We have a judgement against one borrower with \$20,027 arrears. After growing the program by \$1,451,551, \$65,047 in failed loans should not be considered a loss to be subtracted in the closeout formula. If I am not understanding the proposal correctly, please clarify and explain the formula.

Thank you for assisting the City of Ripon and it's businesses with the RLF program and for your consideration of these comments.

Barbara J. Mashack

Accountant/Deputy Treasurer

City of Ripon

100 Jackson St.

Ripon, WI 54971

920-748-4911

Fax: 920-748-6983

email: bmashack@cityofripon.com

5. Stephen Compton

June 29, 2018

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

Re: Substantial Amendment 3 to the State's 2015-2019 Consolidated Plan
Changes to the CDBG ED RLF program are referred to as CDBG-CLOSE

Dear State Officials:

The City of Reedsburg has reviewed the proposed CDBG Close Program guidelines and while we are concerned about losing this funding, we also understand the issue of large amounts of public funds sitting idle. The City has approximately \$669,000 of CDBG Economic Development RLF funds. After reviewing the proposed program rules, we are concerned about the lack of flexibility by limiting the program to fund two projects.

The program guidelines state the "Economic Development RLF funds will be held for communities to have non-competitive access to as grants for up to two (2) projects totaling the amount of their RLF Closeout Account". The program guidelines also state the intent is to provide "financial flexibility for communities to address local needs". In looking at the potential eligible projects Reedsburg may have, the two project limit is very restrictive. As such, the City of Reedsburg is suggesting modifications.

We suggest the two project limit be changed to a two (2) application limit. For example, one CDBG Public Facilities plus an application for one of the other currently authorized programs under the CDBG program.

Reedsburg's potential projects include the following:

1. City Hall ADA improvements
2. Central Ditch improvements
3. Oak Street and utility reconstruction project

Based on our understanding, the above projects would be considered three projects, which would not be allowed. Our recommendation is to allow the Central Ditch and Oak Street projects to be combined into a single application since they are both public facilities projects.

Another option would be to allow communities who have over \$500,000 of CDBG Close funds to be able to implement three projects instead of two.

Thank you for your consideration of this request. Please feel free to contact us for additional information.

Sincerely,
CITY OF REEDSBURG
Stephen Compton, Administrator

6. Diane McGinnis

July 9, 2018

Wisconsin Department of Administration
Division of Energy, Housing and Community Resources
Bureau of Community Development
Attn: CDBG-CLOSE Applications
101 E Wilson Street, 6th Floor
Madison WI 53707-7970

Dear Mr. Pawlisch,

Vernon County would like to thank you for the opportunity to comment on the Community Development Block Grant – Revolving Loan Fund for Economic Development Closeout Program (CDBG-Close). The CDBG Economic Development Revolving Loan Program (ED-RLF) has been a critical resource for helping businesses establish and grow in Vernon County. Since the inception of the ED-RLF program in 1999, Vernon County has assisted over 65 local businesses with over \$3.7 million in new businesses and expansion loans. Without this resource some of these businesses would not be here today.

Vernon County would like to express the following concerns and questions:

1. Vernon County is very concerned about the loss of this resource to our local businesses. While we understand that the State will still have this resource available to our businesses, over time we will not have local expertise to assist these businesses applying for this program. How will the state market the program and assist small local businesses in applying for the program?
2. The two year timeline to return the balance of the locally held RLF program including receivables and expensing these funds will be very difficult for programs that have larger balances. The document gives some flexibility to RLFs with larger balances but does not clarify what a “larger balance” is. In general, this timeline is too short to ensure all funds are disbursed. We have a very short construction season in Wisconsin and with the weather we have had the last couple years it would be very difficult to ensure all project funds are disbursed in a two year timeframe.

3. It will be difficult for Vernon County to expend our receivables on only two projects. We were encouraged by DEHCR staff to work with our communities within the county to identify eligible CDBG-PF projects to assist with buying out our RLF receivables. In the few conversations we have had with the smaller communities, no large projects have been identified. We would encourage DEHCR to increase the number of projects we can do with the non-competitive closeout funds.
4. Vernon County would like to see the Public Services project limit increased.
5. No clarification was provided regarding an RLF that doesn't have the ability to buy out all the receivables. Can an RLF buy out a portion of the receivables?

While we understand the statutory compliance concerns with the program, we are very disappointed to see the local municipalities lose this program. Many businesses will be reluctant and will likely not apply through the state program which has been evident over the years. If there is any opportunity to keep the RLF program at the local level Vernon County would be interested. We would be willing and able to attend training and provide the State with our underwriting to ensure compliance with program regulations.

Thank you for the opportunity to comment on this proposed program changes.

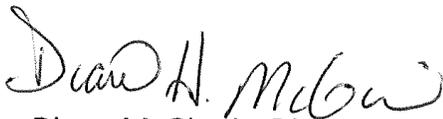
Sincerely,



Mary Bringe, Committee Chair
Vernon County Revolving Loan Program



Gail Muller, Committee Vice-Chair
Vernon County Revolving Loan Program



Diane McGinnis, Director
Resources and Community Development

7. Brian Doudna

July 11, 2018

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

RE: Substantial Amendment to the Wisconsin 2015-2019 Consolidated Plan - DRAFT CDBGCLOSE Program

To Whom It May Concern:

The Wisconsin Economic Development Association (WEDA) appreciates the opportunity to submit comments on the Substantial Amendment to the Wisconsin 2015-2019 Consolidated Plan - DRAFT CDBG-CLOSE program recently published by the Wisconsin Department of Administration (DOA).

The Wisconsin Economic Development Association is the state's leading professional association representing the interests of economic development professionals, businesses and other organizations committed to advancing Wisconsin's economy through pro-growth policies and programs. We help provide our members, which come from every region of the state and represent every sector of economic development, with the necessary tools to encourage business expansion, promote investment and drive job creation.

Due to the significant changes to the Economic Development Revolving Loan Fund (ED-RLF) program proposed by the CDBG-CLOSE draft plan and the numerous technical and policy issues it creates for communities across the state, WEDA would like to take this opportunity to express our thoughts on the proposal.

General Observations:

First, we commend DOA for their successful efforts to share information on the CDBG-CLOSE program with impacted communities and other stakeholders. We also appreciate what we view as the agency's thoughtful design of the proposed CDBG-CLOSE program to 1.) Address concerns raised by the U.S. Department of Housing and Urban Development (HUD) about Wisconsin's RLF funds; and 2.) Provide an avenue for communities to recapture RLF funding paid back to the state for eligible CDBG projects that will advance local economic development. However, concerns remain about the abrupt shift in policy under CDBG-CLOSE and what the long-term impact will be on economic development in communities across Wisconsin.

In fact, WEDA and our members who utilize the ED-RLF program would prefer to see the program continue in its current form (or with minor modifications), as the program is an important economic development tool for local communities and provides access to much-needed financing for Wisconsin businesses. But given HUD's increased scrutiny of Wisconsin's Revolving Loan Funds, and the potential risk that poses to RLF communities, we understand DOA's desire – and potential need – to close out the ED-RFL program.

Concerns:

While WEDA sees value in the options available to communities to close out their Revolving Loan Funds, we do not believe the CDBG-Close draft plan provides enough flexibility for local governments who wish to retain their RLFs at the local level.

Suggested Modification:

The suggested goals of the proposed CDBG-CLOSE program of protecting communities from liability and creating new avenues to fund local economic development projects are laudable, but WEDA believes the draft plan should be modified to give communities additional close-out options. Consequently, we recommend that DOA modify the DRAFT CDBG-CLOSE program to allow local governments to consolidate their Revolving Loan Funds into a regional RLF managed by an approved and certified nonprofit organization. This consolidation process, which is authorized under 105(a)(15) of the Housing and Community Development Act, would "defederalize" a community's Revolving Loan Funds and ensure greater use of the funds to meet the needs of Wisconsin businesses.

In closing, WEDA would like to thank DOA for the opportunity to submit this letter as our official public comments on the Substantial Amendment to the Wisconsin 2015-2019 Consolidated Plan - DRAFT CDBG-CLOSE. In addition, we appreciate the agency's thoughtful consideration of our recommended modification to the draft plan as you prepare a final submission to HUD. We would also welcome the opportunity to meet to discuss our recommendation and other potential CDBG-CLOSE options.

Brian Doudna, Executive Director

Wisconsin Economic Development Association

8. Dorothy Hackl

July 12, 2018

Department of Administration – David Pawlisch and Mark Staff

RE: Comments on Proposed CDBG Close out program

Today I write to express my deep concern over the Closeout Program of the Revolving Loan Funds for Economic Development in the State of Wisconsin.

Since 1997, the Village of Muscodá has issued over forty (40), yes 40 loans for a community of our size – just over 1,200 population, I think that is outstanding. We have administered these loans, completed the reports and tracked the loan documents as required; even when the rules and regulations change with little training to local clerks. Without the issuance of these 40 plus loans; some of those businesses would not have been able to remain in business or locate in Muscodá.

The BUYOUT – this is not feasible for Muscodá as we have over a million dollars in current loans. The Village would need to borrow the funds from a financial institution and then pay that loan off as RLF loans are paid back. Muscodá residents would lose on this concept; as I am sure the Village will not be able to borrow funds from the bank at the same interest rate as our RLF loans.

In summary, please consider amending the Closeout Program or at least wait until the HUD audit findings are received to see if Wisconsin can comply with them. The RLF program in Muscodá is extremely valuable to our businesses both commercial and industrial.

Thank you for your time,

Muscodá Village Board: President Dorothy Hackl, Board Trustees: Larry Anderson, William Bartlett, Jerry Bindl, Allen Blood, Sanford Miller, and David Wiederholt.

CC: Representative Tranel, Senator Marklein, Congressman Ron Kind, US Senator Ron Johnson, US Senator Tammy Baldwin

9. Frank Fiorenza

July 12, 2018

Ellen Nowak, Secretary
Wisconsin DOA
PO Box 7864
Madison, WI 53707

RLF proposed changes: For decades, legislators and political leaders have voiced support for the concept of home rule - that is, a local community is better attuned to its needs than a large and removed bureaucracy. What is being proposed are changes that have profound and in all probability negative effects for small communities. Theoretically, if I understand the changes correctly, a small community or business venture could still tap into the fund for economic development, yet, what chance would they have when competing with larger development projects such as Foxconn or other big city projects? To the removed bureaucracy a small project might seem insignificant, but to the small community it can be of great significance. Let me provide you some examples from the Village of Potosi:

- A convenience store that was closed (an important facility in a community with no grocery store) reopened. It provides 2.5 jobs
- The Potosi Brewery a 501(c3) and National Brewery Museum was opened.

It provides 60+ jobs (kitchen and wait staff, bartenders, executive director and assistant director, custodial staff, etc.). It brings between 65,000 and 70,000 visitors. It has had a profound positive impact on the economy or the community and the region.

- Holiday Gardens Special Events Center. This brings in 30,000+ people to the community yearly. It has a kitchen and wait staff, bartenders, custodial staff, director, etc. It has a staff (it varies) in the neighborhood of 30.
- The Potosi Brewery Production Facility. It brews Potosi products and is doing contract brewing for eight other breweries. It has a brewing staff, micro-biologist, machinists, custodial staff, field reps, bookkeeping staff, marketing director, etc. . It employs at least 15 people.
- The former brewery bottling house is now a winery, woodworking showroom, gift shop and ice cream parlor. Combined they employ seven people.

If the purpose of the RLF was to foster economic development and to provide employment, then Potosi has certainly met that goal. Without a tool such as the RLF, in all likelihood none of the examples I cited would have happened. A community such as Potosi (population 700) would be just another small community dying on the vine. Our projects have kept the community economically viable and are contributing to the economy of the state. Please, allow us to grow the community, to provide jobs, and to help Wisconsin grow. If some communities have not invested wisely (or at all) do not penalize those of us who have. Thank you.

Sincerely,
Frank Fiorenza
Village President 1992 - 2018
Cc: Senator Howard Marklein
Rep. Travis Tranel
US Congressman Ron Kind
US Senator Tammy Baldwin
US Senator Ron Johnson
Ron Brisbois

10. Brock Portilla

Thank you for the information regarding the proposed program closeout.

Kenosha County/KABA are supportive of the proposed plan. The proposed plan provides a realistic opportunity for counties to put the CDBG funds to good use while allowing the retention of the current RLF receivables.

Thanks.

Brock Portilia, Director of Finance and Administration

Kenosha Area Business Alliance (KABA)

5500 – 6th Avenue, Suite 200

Kenosha, WI 53140

Office – 262.605.1100

Direct – 262.925.3468

bportilia@kaba.org

www.kaba.org

11. Gregory Buckley

July 12, 2018

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

RE: Comment of Proposed Substantial Amendment to Wisconsin's 5-Year Comprehensive Plan for Use of HUD Funding—CDBG-CLOSE Program

Dear Wisconsin DOA Staff:

The City of Two Rivers has administered a local economic development revolving loan fund for more than 30 years, capitalized with CDBG funds initially awarded to the City for loans to local industries in the mid-1980's. The City has been a good steward of these funds, making more than 100 loans over the history of the RLF, and growing that fund from the initial grants totaling \$1.25 million to about 42.5 million in RLF cash and receivables today.

As a long-term operator of a local RLF, we have been very much aware in recent years of HUD's concerns about State oversight of these local loan programs. We appreciate the challenges that WI DOA faces in trying to oversee 130 such local RLF's, and the challenges for local units to administer diverse portfolios of loans in keeping with all Federal requirements. Further, we appreciate your desire to make better use of the cash balances in these local funds, estimated to total over \$50 million statewide.

A growing cash balance in our own local RLF prompted our city just a few months ago to ask DOA staff whether local RLF funds could be utilized for other CDBG-eligible activities within our community, like infrastructure investment in LMI neighborhoods, lead water service lateral replacement in LMI neighborhoods, public infrastructure investments in support of economic development and addressing blighted properties. The answer at that time was "no". CDBG-CLOSE offers a much better answer to that question.

Based on our understanding of HUD's requirements for local RLF oversight, the State's challenges in conducting such oversight, and a local desire for greater flexibility in utilizing CDBG program income associated with the 1980's era grants that first capitalized our RLF, the City of Two Rivers supports the proposed CDBG-CLOSE program.

Further, as a community whose RLF was capitalized entirely with CDBG grants awarded well prior to 1992, we support WI DOA addressing with HUD the ability of local units whose RLF's were funded with such pre-1992 grants to utilize program income at local discretion, and not be subject to restrictions otherwise applicable to CDBG program income. We understand that the State has the discretion to allow such flexibility for such local units, in accordance with HUD Notice CDP-04-11—which we learned about in a phone conversation with WI DOA staff on July 6, 2018. We urge WI DOA to allow for such flexibility to qualified local units in its final amendment document.

We particularly appreciate that the CDBG-CLOSE program, as presented by WI DOA, allows communities like Two Rivers, which have been good stewards of these funds for many years, to re-deploy these assets for other worthy investments **in our communities**—whether those investments are required to be for other CDBG-eligible activities or for an even broader array of local government uses, as noted in the paragraph above.

We have very real economic development and redevelopment needs here in Two Rivers, and I can assure you that these funds will be put to good use. A recently-adopted (2018) Economic Development Strategic Plan will help provide guidance for the strategic use of these resources.

We are aware that some economic development organizations have advocated for an additional option, whereby local governments could have the option of transferring some or all of their RLF assets to a regional, non-profit organization that would manage a regional RLF. We would likewise be interested in this option, if that regional organization could be at the county level. Here in Manitowoc County, the cities of Two Rivers and Manitowoc, both with local RLF's are actively involved in the private-public partnership that is Progress Lakeshore. I believe we would be interested in providing RLF resources to such a regional program, administered by that organization, if such an option were available.

In closing, I wish to thank the Department of Administration for its approach to this issue: for the good information you have shared with your local government partners, and for fashioning a proposed amendment that allows the CDBG dollars in our local RLF's to be re-deployed in our communities.

Feel free to contact me if you have additional questions.

Sincerely,

Gregory E. Buckley
City Manager

CC: City Council

12. Stacey Johnson

For many years now the CDBG RLF program has not produced the results the programs purpose commands. Due to regulatory issues, a lack of local lending proficiency, and the decline in size of rural communities, the program cannot be fully utilized as-is. The fact is, continuing to focus on the past and argue for support and regulatory changes that cannot feasibly happen now is not going to render results that will benefit any of our efforts to support economic growth in our areas.

There is an opportunity to take a broken program and walk away with a win here. Will this be the case for every county and every city, no, but it will be the case for many that would otherwise continue to be at risk future sanctions as we currently sit.

With creativity and a working partnership with your local government there is a chance here to apply for funds in the form of a grant set aside exclusively for your use. We can work to apply for infrastructure grants and other opportunities that would other come from working budgets and with the release of those funds, defederalized RLFs can be an option once again. Is this a perfect solution, of course not, but I would argue at this point, it is the responsible one.

The DOA staff working to negotiate options for us has been available, open, and eager to listen and assist with the best outcome here. We cannot go back 10 years and rewrite history; it is my opinion that we focus on the future and work to ensure the best outcome we can for each of our local markets.

Stacey Johnson

Executive Director

Oneida County Economic Development (OCEDC)

3375 Airport Road

PO Box 682

Rhineland, WI 54501

s.johnson@ocedc.org

715.369.9110 office

715.216.7466 cell

www.ocedc.org

13. Robert Keeney

I write today to voice my concerns with the change of a valuable economic development tool used by Grant County, communities within our county, and many others across the State of Wisconsin, the CDBG Revolving Loan Program. The proposed change to Community Development Block Grant Revolving Loan Fund for Economic Development Closeout Program (CDBG-CLOSE) will greatly diminish the ability for Grant County to help area entrepreneurs, investors and businesses grown in the competitive marketplace. The CDBG-CLOSE will not only limit the number of businesses that could receive funding but it will end the mechanism used to continuously rotate funding in a positive manner throughout the wide variety of needs in our economy.

We do not understand why the rug is being pulled from beneath Grant County along with the other entities throughout Wisconsin that have used the program in the correct manner to circulate funding where needed to enhance development and growth of viable businesses. I do understand, after listening to the webinar and talking to many others about the RLF program, that there has been inconsistent usage of the program. But if there are RLF's that are not following the established criteria, penalize those in non-compliance, not those that are using the funds as intended. These federal funds were established to serve local communities in the creation of jobs and economic growth. We understand the challenges of the strings attached to the funds but we work diligently with businesses throughout the process to provide a critical nudge needed to start or expand operations which fosters economic development in Grant County.

Grant County has effectively used the RLF program, including MVP funding, to assist 44 businesses in a wide array of entrepreneurial efforts. These businesses made the commitment to additional investment for capital improvement and job creation which increased the tax base and economic impacts within their communities and to our region. As a previous business owner I understand the challenges associated with operations in the competitive market and appreciate the opportunity afforded to others to continue their operations in a growing fashion. I learned long ago that if you are not moving forward in the business world, you are going backwards. The world around us does not slow down, it is continually changing, and to remain a part of the market you must grow. This growth takes additional resources and the RLF program has been a very valuable tool used by Grant County and many others throughout the state to fill a gap in helping businesses grow and remain competitive.

Grant County is proud of the working relationship we have with the business community, therefore would appreciate the Wisconsin Department of Administration consider taking a hard look at the possibility of amending its proposal of the CDBG-Close program. Please consider the success seen in communities that appropriately use the RLF and allow that success to continue in driving our economy in a positive manner.

Respectfully submitted,

Robert C. Keeney

Grant County Board Chair

14. Ron Brisbois

Re: CDBG CLOSE

Please accept this letter as a comment on the proposed CDBG CLOSE program.

First of all, the ending of the revolving loan fund (RLF) program is very shortsighted. In Wisconsin, we have very few tools for economic development. The RLF program has been a powerful tool for Grant County. In a 20-year span, Grant County's RLF has funded 45 different business projects, administering \$2,521,995 of RLF funds. Loan funds were lent to a wide variety of businesses,

from large manufacturing businesses to small service-based businesses, cheese factories to dairy farms, cheese cutting and wrapping to cold storage warehouses and logistics companies. We have supported entire industrial clusters with our RLF. Other businesses funded include daycares, auto and truck service facilities, welding shops, and professional businesses. With these loans, hundreds of new jobs were created. Often, new tax base was built in the county's many cities, villages and towns. This program did what it was intended to do. It should be noted that Grant County had a cap, set by the Wisconsin Department of Administration (DOA) of \$750,000. Never in our history have we had over \$500,000 in cash on hand. Our balance usually averaged below \$200,000 in cash.

The taking of this program and its funds from our use is one of the most significant setbacks in economic development that I have witnessed in my 18 years in Grant County.

The proposed CDBG CLOSE program is only a temporary program, lasting until October of 2020. It, and the current CDBG-ED program does not give us the tools to support small businesses or most of the business projects that we have traditionally funded with the RLF. For example, our latest RLF loan was to a small existing business that needed to add new equipment to help serve a research project it has developed with NASA. The loan created one new full-time job and the loan was for \$35,000. In my experience, DOA will not fund a project of this scale, nor can the DOA programs work at the speed of business. Any such applications through the DOA shall require a public hearing with a public notice of at least 14 days prior to the hearing. This does not take into account all other required steps in the DOA process. However, our county RLF has a proven record of reviewing and approving RLF loans within 2 weeks. This included the time from receiving a completed application from the business to the issuance of the loan check. This also included a review of the loan in two public meetings, which include a committee and the full county board of supervisors' monthly meeting, all of which are posted public meetings.

The DOA reasoning behind CDBG CLOSE has been stated in large part because a large amount of CDBG funding allocated to the RLF program over the years is not being utilized. I will state that I am aware of RLF programs around the state and that this may be the case, however, not with Grant County's.

As stated previously, the DOA is taking away one of the most effective tools we have for business development, and there is nothing to replace it.

It has been commented that the municipalities with RLFs can choose to pay the whole amounts of their remaining loan balances to the DOA, and then keep the loan repayments to create a defederalized RLF program. This makes no sense. A municipality would need to either take the funds out of their general fund or borrow the funding to pay off the DOA. Why would the taxpayers want to have tax dollars moved from the general fund, which is used for operations like police, fire and many other services, to create a loan program? Or, why borrow the funds against their General Obligation Debt Capacity, weaken their fiscal position, and pay interest, which is paid by tax dollars? The Village of Muscoda, population 1,270, has an RLF with approximately \$1.4M in assets. That is a large volume of funding for them to pay back. This would penalize these communities because they developed and managed their RLFs effectively. This was never part of the agreements when these RLF loan agreements were approved between the State of Wisconsin and the municipalities.

If the concern of the DOA and the Housing and Urban Development (HUD) is the amount of underutilized funding in the municipalities around the state, then take those funds back. Do not penalize the municipalities that are utilizing their RLF program funding.

It is interesting that just a few years ago, regionalization of the revolving loan funds was recommended. Three regional RLFs were created, which was great for Wisconsin. I witnessed DOA work hard to make sure these three regions were able to keep and maintain their RLFs, while working with HUD. Thankfully, these RLF programs are available for these three regions to utilize now and into the future. But, why can't this be duplicated? What has changed in the HUD or DOA rules that cannot allow this for others?

Finally, a possible option that I would reluctantly suggest is that each non-entitlement county be allowed to keep an RLF and maintain their cap of \$750,000 and other RLFs within the state fall into the CDBG CLOSE program. This would maintain one RLF per county, which would allow DOA to monitor these more effectively, and bring the majority of CDBG funding around the state back to DOA.

Sincerely,

Ron Brisbois

Ron Brisbois

Exec Director

RLF Administrator for the County of Grant and the City of Boscobel



Division of Energy, Housing and Community Resources (DEHCR) Responses to Public Comments

	Commenter	DEHCR Response
1	Charlie Knower, WI citizen	<ul style="list-style-type: none">• Citizen comment received.
2	Scott Champion, WI citizen	<ul style="list-style-type: none">• Citizen comment received.
3	Sarah Mayer, WI citizen	<ul style="list-style-type: none">• Citizen comment received.
4	Barb Mashack, Accountant/Deputy Treasurer, City of Ripon	<ul style="list-style-type: none">• Comment received.
5	Stephen Compton, City Administrator, City of Reedsburg	<ul style="list-style-type: none">• DEHCR has updated the CDBG-CLOSE program to allow all participating UGLG's the option of adding a third, Planning project.• In addition, DEHCR updated the program to allow all UGLG's that buy-out all outstanding loans the option of funding up to three projects with the RLF Closeout Account.
6	Dianne McGinnis, Director, Resources and Community Development, Vernon County	<ul style="list-style-type: none">• DEHCR, along with WEDC, will continue to market the CDBG program in the non-entitlement areas of the state. DEHCR will continue to make CDBG-Economic Development awards in these areas.• There is no requirement to disburse CDBG-CLOSE funds in two years.• DEHCR has updated the CDBG-CLOSE program to allow all participating UGLG's the option of adding a third, Planning project.• In addition, DEHCR updated the program to allow all UGLG's that buy-out all outstanding loans the option of funding up to three projects with the RLF Closeout Account.• As Public Service expenses are statutorily restricted to no more than 15% of state CDBG expenditures, the \$300,000 limit is reflexive of the requirement on the State to stay within that limit.

		<ul style="list-style-type: none"> The UGLG must decide to either buy-out all outstanding loans, or assign all outstanding loans to DEHCR.
7	Brian Doudna, Executive Director, Wisconsin Economic Development Association	<ul style="list-style-type: none"> DEHCR currently has the CDBG-READI program which conforms to the requirements of 105(a)(15) of the Housing and Community Development Act.
8	Dorothy Hackl, Village President, Village of Muscoda	<ul style="list-style-type: none"> The UGLG must decide to either buy-out all outstanding loans, or assign all outstanding loans to DEHCR.
9	Frank Fiorenza, Village President, Village of Potosi	<ul style="list-style-type: none"> DEHCR determined that maintaining CDBG-RLF's was not a viable option as it did not alleviate the existing risk associated with local RLF administration nor did it alleviate the ongoing compliance challenges associated with RLF administration. Additionally, the amount of cash on hand in local RLF's that is not revolving into new loans is contrary to HUD's expectations. CDBG-CLOSE provides Wisconsin and local communities with an opportunity to mitigate some of the risks under the current program and receive greater flexibility by the federal government in investing the funding in local efforts. The State will continue to have CDBG funding available to communities to assist with economic development. Because the CDBG funding the State receives must go to communities under 50,000, non-entitlement communities will not be competing with large communities as they receive their own funding directly from HUD.
10	Brock Portilla, Director of Finance and Administration, Kenosha Area Business Alliance	<ul style="list-style-type: none"> Favorable comment received.
11	Gregory Buckley, City Manager, City of Two Rivers	<ul style="list-style-type: none"> Favorable comment received.
12	Stacey Johnson, Executive Director, Oneida County Economic Development (OCEDC)	<ul style="list-style-type: none"> Favorable comment received.
13	Robert C. Keeney, Grant County Board Chair	<ul style="list-style-type: none"> Comment received.
14	Ron Brisbois, Executive Director, Grant County Economic Development Corporation	<ul style="list-style-type: none"> UGLG's have the option of buying out or assigning all outstanding loans to DEHCR. There is no requirement to buy-out outstanding loans. The Department considered regionalization of loans when considering the CDBG-CLOSE program. Ultimately, DEHCR determined regionalization of CDBG-RLF's was not a viable option as it did not alleviate the existing risk associated with local RLF administration nor did it alleviate the ongoing compliance challenges associated with RLF administration.