



Whitewater CDA –Board of Directors  
Wednesday April 23, 2014  
**5:00 PM**  
Room 105  
Innovation Center  
1221 Innovation Drive  
Whitewater, WI 53190

1. **Call to order and roll call.**
2. **HEARING OF CITIZEN COMMENTS.** *No formal CDA Action will be taken during this meeting although issues raised may become a part of a future agenda. Items on the agenda may not be discussed at this time.*
3. **Approval of agenda**
4. **Approval of Minutes**
  - a. **March 26, 2014**
5. **Acceptance of Financial Statements**
  - a. **March, 2014**
6. **Adjourn to closed session per Wisconsin State Statutes 19.85(1)(e) "Deliberating or negotiating the purchase of public property, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session".**
  - A. **Consideration and discussion of Capital Catalyst Fund request based upon the recommendation of the Capital Catalyst Screening Committee**
    - a. **Software development company**
  - B. **Consideration and discussion of two CDBG loan requests**
    - a. **Software development company**
    - b. **Software development company**
  - C. **Update on negotiations with potential retail, manufacturing and other businesses that are considering locating in the City of Whitewater and are requesting City of Whitewater related financial assistance or concessions.**
7. **Reconvene into open session to take action on closed session items as needed.**
8. **Consideration and discussion of proposed amendments to the CDBG-RLF Economic Development Loan manual.**
9. **Consideration and discussion of an action required to not participate in the Non-Regional CDBG Housing Program.**
10. **Update on the fiber optics project for the city including the Business Park and Technology Parks.**
11. **Update on long term marketing and community branding project.**
12. **Future agenda referrals and setting future meeting dates/times.**
13. **Adjourn**

*It is possible that a quorum of Common Council and Technology Park Board members may attend this meeting. Even if a quorum is present, no Common Council and/or Technology Park Board business will be conducted at this meeting.*

*Anyone requiring special arrangements is asked to call the office of the  
City Manager/ City Clerk at least 24 hours prior to the meeting.*

**Future Meeting Dates:**

**May 28, 2014**

**5:00 PM**

**Innovation Center**

*"This institution is an equal opportunity provider and employer."*

Whitewater Community Development Authority  
Board of Directors  
March 26<sup>th</sup>, 2014  
Meeting Minutes

**1. Call to Order and Roll Call.**

The meeting was called to order by Chairman Jeff Knight at 5:06pm.

Present: Donna Henry, Larry Kachel, Jeff Knight, Patrick Singer

Absent: Jim Allen, Greg Meyer, Jim Winship

Also: Patrick Cannon, Cameron Clapper, Anna Schwarz

**2. Hearing of Citizen Comments.**

None

**3. Approval of Agenda**

Move to Approve the Agenda as presented.

Kachel (1); Singer (2)

Aye: All via Acclamation (4)

Nay: None

**4. Approval of Minutes**

**a. February 26, 2014**

Move to Approve the February 26, 2014 Minutes as presented.

Henry (1); Kachel (2)

Aye: All via Acclamation (4)

Nay: None

**5. Acceptance of Financial Statements**

**a. February, 2014**

Move to Accept the February 2014 Financial Statements as presented.

Singer (1); Henry (2)

Aye: All via Acclamation (4)

Nay: None

**6. Consideration and discussion of a request from Whitewater Community Garden/Maker's Space to utilize a portion of CDA owned property to expand their gardens.**

Brienne Brown spoke on behalf of the Whitewater Community Garden. The Makerspace and Whitewater Community Garden are requesting use of the land next to the Makerspace location on Bluff Rd. The CDA

Board felt that the Community Garden would be better served utilizing the Howard Rd. property space, as the Bluff Rd. location is often up for consideration for potential developers.

The Whitewater Community Garden/Makerspace requested that instead of a full garden in the Bluff Rd. area, they be allowed to construct a non-permanent hoop house structure in a space approximate 10 x 20 ft adjacent to the Makerspace on the Bluff Rd. property, that can be moved and taken down with 48 hours notice. Members of the Makerspace/Whitewater Community Garden are also willing to sign a written agreement with the CDA Board stipulating these items.

A motion was made to direct CDA staff to draft an agreement with the Makerspace/Whitewater Makerspace allowing for the construction of one hoop house on an area approximately 10 x 20 ft., with the stipulation that the CDA will provide 10 days notification for removal.

Singer (1); Kachel (2)

Aye: Henry, Kachel, Knight, Singer (4)

Nay: None

7. **Adjourn into closed session per Wisconsin State Statutes 19.85(1)(e) "Deliberating or negotiating the purchase of public property, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session."**
  - a. **Consideration and discussion of Capital Catalyst Fund request based upon the recommendation of the Capital Catalyst Screening Committee**
    - i. **Software development company**
  - b. **Consideration and discussion of a proposed Development Agreement with DP Electronic Recycling regarding the sale of approximately 10.96 acres in the Technology Park.**
  - c. **Consideration and discussion of two CDBG loan requests**
    - i. **Software development company**
    - ii. **Software development company**
  - d. **Updated on negotiations with potential retail, manufacturing, and other businesses that are considering locating in the City of Whitewater and are requesting City of Whitewater related financial assistance or concessions.**

A motion was made to adjourn into closed session and to allow Patrick Cannon, Cameron Clapper, and Anna Schwarz to remain in the closed session portion of the meeting.

Knight (1); Kachel (2)

Aye: Henry, Kachel, Knight, Singer (4)

Nay: None

8. **Reconvene into open session to take action on closed session items as needed.**

A motion was made to reconvene in open session.

Singer (1); Kachel (2)

Aye: All via Acclamation (4)

Nay: None

The CDA Board took no formal action on closed session items.

**9. Consideration and discussion of an action required to not participate in the Non-Regional CDBG Housing Program.**

Staff informed the CDA Board that if we take no action we will automatically be placed into a regional housing district.

A motion was made to direct staff to reply to this request with a cover letter stating that the Whitewater CDA would like to discuss this issue with the Common Council, as the chief elected officials, and after we have had time to get questions answered from the Wisconsin Department of Administration.

Singer (1); Henry (2)

Aye: All via Acclamation (4)

Nay: None

**10. Consideration and discussion of a funding request from Downtown Whitewater Inc. for *Jack Hanna Whitewater Gone Wild Safari*.**

The CDA board would like further clarification about how the funds from this fundraiser will be used. The CDA board would like to have a clear connection to the CDA mission in order to put funds towards this project.

A motion was made to table this item to the May CDA Board meeting.

Kachel (1); Singer (2)

Aye: All via Acclamation (4)

Nay: None

**11. Consideration and discussion of authorizing a lease agreement with Rue Farms for use of vacant lands within the Business and Technology Parks for farming operations.**

Rue Farms has leased the vacant lands for the past few years and they have sent in payment for use of the property in 2014, however, the CDA does not have a new contract with them.

A motion was made to accept this payment and approve a new contract with Rue Farms for 2014. In addition, staff was directed to create an RFP and draft contract that will be issued after the 2014 growing season. The RFP will be for the 2015 growing season.

Singer (1); Kachel (2)

Aye: All via Acclamation (4)

Nay: None

**12. Update on the potential public improvements required for TIF #5, #6, and #7 including authorizing borrowing to fund the studies completed by outside parties.**

Staff indicated that the current plans call for a variety of public improvements that will be required for TIF #5, #6, and #7. In order to begin planning for these improvements staff recommends that the CDA utilize borrowing in conjunction with the City borrowing to complete these projects. The recommended amount is \$25,000 per each district. Staff indicated that they will be working with the City Manager and Finance Director on this matter.

No formal action was taken by the CDA board.

**13. Update on the fiber optics project for the city including the Business Park and Technology Parks.**

Staff provided the CDA board with an update of this project. Staff will be meeting with Legal Counsel to discuss the legal issues involved with this project.

No formal action was taken by the CDA board.

**14. Update on long term marketing and community branding project.**

Staff has contacted various community-wide stakeholders including, the City of Whitewater, the Whitewater Unified School District, the University of Wisconsin-Whitewater, the Whitewater Area Chamber of Commerce, the Downtown Whitewater, Inc., the Greater Whitewater Committee, Inc., and local realtors. A meeting to discuss the marketing and branding of Whitewater has been set for April 2<sup>nd</sup> at 3pm at the Innovation Center. More information to come at future CDA board meetings.

**15. Future agenda referrals.**

None

**16. Adjourn**

A motion was made to adjourn the meeting at 7:35 pm.

Singer (1); Kachel (2)

Aye: All via Acclamation (4)

Nay: None

Meeting Adjourned at 7:33pm.

**CITY OF WHITEWATER  
COMMUNITY DEVELOPMENT AUTHORITY  
INVESTMENT SCHEDULE**

FUND	BANK	ORIG DATE	DUE DATE	TERM	AMOUNT	INT RATE	NUMBER	NOTES
Façade Loan	First Citizens	01/22/2014	07/22/2015	18 months	\$25,000.00	0.60%	3308484	Replaces 3308087

TOTAL \$25,000.00

General-Investments-Fund 900	Associated			Daily rate	\$25,105.28	0.15%		
SEED FUND-910-UDAG	Associated			Daily rate	\$240,314.74	0.20%		

TOTAL \$265,420.02

Business Development	Commercial	12/13/2013	12/17/2014	363 days	\$175,000.00	0.45%	210871	replaces 210312
Business Development	Commercial	02/05/2014	02/05/2015	365 days	\$100,000.00	0.45%	210918	replaces 210376
Business Development	Commercial	01/31/2014	07/30/2014	180 days	\$100,000.00	0.30%	210913	replaces 210373

TOTAL \$375,000.00

Economic Development Loan	First Citizens	11/06/2012	05/06/2015	18 months	\$50,000.00	0.55%	3308401	replaces 3308022
Economic Development Loan	First Citizens	05/25/2013	05/25/2014	12 months	\$152,100.00	0.50%	3308214	RENEWED
Economic Development Loan	Commercial	03/27/2014	09/27/2015	18 months	\$81,910.05	0.50%	210963	replaces 210466
Economic Development Loan	First Citizens	06/19/2013	06/19/2014	365 days	\$60,000.00	0.45%	3308253	replaces 3306522
Economic Development Loan	Commercial	02/05/2014	02/05/2015	365 days	\$100,000.00	0.45%	210917	replaces 210377
Economic Development Loan	First Citizens	10/09/2013	04/09/2015	18 months	\$75,000.00	0.55%	3308371	replaces 3307408
Economic Development Loan	Commercial	01/31/2014	07/30/2014	180 days	\$100,000.00	0.30%	210914	replaces 210372

TOTAL \$619,010.05

**TOTALS BY FUND**

FUND 900    \$25,105.28  
FUND 910   \$1,259,324.79  
Total:     \$1,284,430.07

**CITY OF WHITEWATER  
BALANCE SHEET  
MARCH 31, 2014**

**CDA PROGRAMS FUND**

	BEGINNING BALANCE	ACTUAL THIS MONTH	ACTUAL THIS YEAR	ENDING BALANCE
<u>ASSETS</u>				
910-11101	142,527.15	419.96	1,385.29	143,912.44
910-11102	180,712.68	6,491.66	20,466.01	201,178.69
910-11103	68,401.02	( 257,342.93)	( 49,928.93)	18,472.09
910-11104	14,833.85	.76	2.20	14,836.05
910-11105	29,741.52	102.07	305.79	30,047.31
910-11106	2,701.54	.14	.40	2,701.94
910-11110	283.86	240,045.86	240,030.88	240,314.74
910-11303	619,010.05	.00	.00	619,010.05
910-11305	25,000.00	.00	.00	25,000.00
910-11310	575,000.00	.00	( 200,000.00)	375,000.00
910-14310	79,076.84	.00	( 549.74)	78,527.10
910-14331	41,360.00	.00	.00	41,360.00
910-14332	102,500.00	.00	.00	102,500.00
910-14333	51,500.00	.00	.00	51,500.00
910-14334	100,000.00	.00	.00	100,000.00
910-14335	102,544.00	.00	.00	102,544.00
910-14337	5,871.28	( 257.60)	( 770.23)	5,101.05
910-14342	4,028.21	( 399.28)	( 1,193.86)	2,834.35
910-14345	133,585.41	( 1,084.43)	( 3,245.19)	130,340.22
910-14346	15,906.54	( 237.15)	( 709.09)	15,197.45
910-14347	105,515.96	( 2,486.84)	( 7,435.75)	98,080.21
910-14348	57,844.92	( 889.32)	( 1,772.73)	56,072.19
910-14349	34,600.00	.00	.00	34,600.00
910-14350	8,220.00	.00	.00	8,220.00
910-14351	10,203.84	.00	.00	10,203.84
910-14353	18,420.02	.00	.00	18,420.02
910-14356	8,062.00	.00	.00	8,062.00
910-14359	10,818.00	.00	.00	10,818.00
910-14361	11,000.90	.00	.00	11,000.90
910-14363	11,000.00	.00	.00	11,000.00
910-14366	12,504.15	.00	.00	12,504.15
910-14368	15,517.48	.00	.00	15,517.48
910-14371	700.00	( 100.00)	( 300.00)	400.00
910-14375	18,422.00	.00	.00	18,422.00
910-14378	34,448.00	.00	.00	34,448.00
910-14379	12,630.00	.00	.00	12,630.00
910-14381	7,205.00	.00	.00	7,205.00
910-14384	37,795.00	.00	.00	37,795.00
910-14385	863.08	.00	.00	863.08
910-14387	25,515.00	.00	.00	25,515.00
910-14391	180.00	.00	.00	180.00
910-14554	750,000.00	.00	.00	750,000.00
910-15208	15,711.04	.00	.00	15,711.04
910-15521	275,171.53	.00	.00	275,171.53
910-15531	6,087,994.00	.00	.00	6,087,994.00
<b>TOTAL ASSETS</b>	<b>9,864,925.87</b>	<b>( 15,737.10)</b>	<b>( 3,714.95)</b>	<b>9,861,210.92</b>

LIABILITIES AND EQUITY

**CITY OF WHITEWATER  
BALANCE SHEET  
MARCH 31, 2014**

**CDA PROGRAMS FUND**

	<u>BEGINNING BALANCE</u>	<u>ACTUAL THIS MONTH</u>	<u>ACTUAL THIS YEAR</u>	<u>ENDING BALANCE</u>
<u>LIABILITIES</u>				
910-22000 ACCUM DEPREC-BUILDING	243,628.06	.00	.00	243,628.06
TOTAL LIABILITIES	243,628.06	.00	.00	243,628.06
<u>FUND EQUITY</u>				
910-30110 CONTRIBUTED CAPITAL	456,815.37	.00	.00	456,815.37
910-34300 PROPRIETARY CAPITAL	8,527,517.51	.00	.00	8,527,517.51
910-35000 HOUSING LOANS RESERVE	174,316.71	.00	.00	174,316.71
910-35100 ECONOMIC DEV LOANS RESERVE	433,615.17	.00	.00	433,615.17
910-35160 FACADE LOANS RESERVE	29,033.05	.00	.00	29,033.05
UNAPPROPRIATED FUND BALANCE: REVENUE OVER EXPENDITURES - YTD	.00	( 15,737.10)	( 3,714.95)	( 3,714.95)
BALANCE - CURRENT DATE	.00	( 15,737.10)	( 3,714.95)	( 3,714.95)
TOTAL FUND EQUITY	9,621,297.81	( 15,737.10)	( 3,714.95)	9,617,582.86
TOTAL LIABILITIES AND EQUITY	9,864,925.87	( 15,737.10)	( 3,714.95)	9,861,210.92

**CITY OF WHITEWATER**  
**REVENUES WITH COMPARISON TO BUDGET**  
**FOR THE 3 MONTHS ENDING MARCH 31, 2014**

**CDA PROGRAMS FUND**

	PERIOD ACTUAL	YTD ACTUAL	BUDGET AMOUNT	VARIANCE	% OF BUDGET
<u>MISCELLANEOUS REVENUE</u>					
910-48101-00	INTEREST INCOME-BUSINESS DEV	9.08	1,930.57	.00 ( 1,930.57)	.0
910-48102-00	INTEREST INCOME-ECONOMIC DEV	424.16	1,455.10	.00 ( 1,455.10)	.0
910-48103-00	INTEREST INCOME-FACADE	9.90	155.11	.00 ( 155.11)	.0
910-48104-00	INTEREST INCOME-HOUSING	2.07	6.29	.00 ( 6.29)	.0
910-48105-00	INTEREST INCOME-ED DEV	.76	2.20	.00 ( 2.20)	.0
910-48106-00	INTEREST INCOME-MORaine VIEW	.14	.40	.00 ( .40)	.0
910-48108-00	INTEREST INCOME-SEED FUND	45.87	45.88	.00 ( 45.88)	.0
910-48605-00	RENTAL INCOME-CROP LEASES	.00	14,790.00	.00 ( 14,790.00)	.0
910-48645-00	LOAN INTEREST-LEARNING DEPOT	.00	526.26	.00 ( 526.26)	.0
910-48651-00	FACADE-INT-WALTON DIST-30K	10.78	36.32	.00 ( 36.32)	.0
910-48653-00	LOAN INT-RR WALTON-15K-HOTEL	18.65	58.51	.00 ( 58.51)	.0
910-48658-00	LOAN INT.-960 E. MILWAUKEE LLC	328.58	993.84	.00 ( 993.84)	.0
910-48663-00	LOAN INT-BLACK SHEEP-1/20/12	51.45	156.71	.00 ( 156.71)	.0
910-48664-00	LOAN INT-DR PLASTICS-2/27/12	335.22	1,030.43	.00 ( 1,030.43)	.0
910-48665-00	LOAN INT-BIKEWISE-\$62,600-4%	378.26	762.43	.00 ( 762.43)	.0
910-48680-00	ADMINISTRATION FEE-LOANS	.00	1,000.00	.00 ( 1,000.00)	.0
910-48685-00	GRANTS-ADMIN FEES	( .01)	.00	.00 .00	.0
	<b>TOTAL MISCELLANEOUS REVENUE</b>	<b>1,614.91</b>	<b>22,950.05</b>	<b>.00 ( 22,950.05)</b>	<b>.0</b>
<u>OTHER FINANCING SOURCES</u>					
910-49100-00	TRANSFER-TO EST SEED FUND	250,000.00	250,000.00	.00 ( 250,000.00)	.0
	<b>TOTAL OTHER FINANCING SOURCES</b>	<b>250,000.00</b>	<b>250,000.00</b>	<b>.00 ( 250,000.00)</b>	<b>.0</b>
	<b>TOTAL FUND REVENUE</b>	<b>251,614.91</b>	<b>272,950.05</b>	<b>.00 ( 272,950.05)</b>	<b>.0</b>

**CITY OF WHITEWATER**  
**EXPENDITURES WITH COMPARISON TO BUDGET**  
**FOR THE 3 MONTHS ENDING MARCH 31, 2014**

**CDA PROGRAMS FUND**

	<u>PERIOD ACTUAL</u>	<u>YTD ACTUAL</u>	<u>BUDGET AMOUNT</u>	<u>VARIANCE</u>	<u>% OF BUDGET</u>
<u>CDA PROGRAMS</u>					
910-56500-212-000 LEGAL/PROFESSIONAL/MARKETING	2,090.00	7,021.50	.00	( 7,021.50)	.0
910-56500-295-000 ADMINISTRATIVE EXPENSE	36.92	4,288.96	.00	( 4,288.96)	.0
910-56500-402-000 SPARKS EXPENSES	4,500.00	4,500.00	.00	( 4,500.00)	.0
910-56500-408-000 RENTAL EXPENSES	725.09	854.54	.00	( 854.54)	.0
910-56500-450-000 CAPITAL CATALYST-SEED FD GRTS	10,000.00	10,000.00	.00	( 10,000.00)	.0
910-56500-550-000 TRANS-CAP,CAT-SEED FD-ASSOC BK	250,000.00	250,000.00	.00	( 250,000.00)	.0
TOTAL CDA PROGRAMS	<u>267,352.01</u>	<u>276,665.00</u>	<u>.00</u>	<u>( 276,665.00)</u>	<u>.0</u>
TOTAL FUND EXPENDITURES	<u>267,352.01</u>	<u>276,665.00</u>	<u>.00</u>	<u>( 276,665.00)</u>	<u>.0</u>
NET REVENUE OVER EXPENDITURES	<u>( 15,737.10)</u>	<u>( 3,714.95)</u>	<u>.00</u>	<u>3,714.95</u>	<u>.0</u>

**CITY OF WHITEWATER  
BALANCE SHEET  
MARCH 31, 2014**

**CDA FUND**

	BEGINNING BALANCE	ACTUAL THIS MONTH	ACTUAL THIS YEAR	ENDING BALANCE
<u>ASSETS</u>				
900-11100 CASH	49,296.70	( 8,444.35)	( 31,337.82)	17,958.88
900-11200 GENERAL CHECKING-1ST-100-722	20,759.94	1.06	3.08	20,763.02
900-11300 INVESTMENTS	25,096.58	.00	8.70	25,105.28
900-18400 OFFICE EQUIPMENT	12,629.44	.00	.00	12,629.44
<b>TOTAL ASSETS</b>	<b>107,782.66</b>	<b>( 8,443.29)</b>	<b>( 31,326.04)</b>	<b>76,456.62</b>
<u>LIABILITIES AND EQUITY</u>				
<u>LIABILITIES</u>				
900-21100 VOUCHERS PAYABLE	7,281.12	.00	( 7,281.12)	.00
900-22000 ACCUM DEPR - EQUIPMENT	11,457.43	.00	.00	11,457.43
900-25101 DUE TO 910	15,711.04	.00	.00	15,711.04
<b>TOTAL LIABILITIES</b>	<b>34,449.59</b>	<b>.00</b>	<b>( 7,281.12)</b>	<b>27,168.47</b>
<u>FUND EQUITY</u>				
900-34300 PROPRIETARY CAPITAL	73,333.07	.00	.00	73,333.07
UNAPPROPRIATED FUND BALANCE: REVENUE OVER EXPENDITURES - YTD	.00	( 8,443.29)	( 24,044.92)	( 24,044.92)
<b>BALANCE - CURRENT DATE</b>	<b>.00</b>	<b>( 8,443.29)</b>	<b>( 24,044.92)</b>	<b>( 24,044.92)</b>
<b>TOTAL FUND EQUITY</b>	<b>73,333.07</b>	<b>( 8,443.29)</b>	<b>( 24,044.92)</b>	<b>49,288.15</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>107,782.66</b>	<b>( 8,443.29)</b>	<b>( 31,326.04)</b>	<b>76,456.62</b>

**CITY OF WHITEWATER**  
**REVENUES WITH COMPARISON TO BUDGET**  
**FOR THE 3 MONTHS ENDING MARCH 31, 2014**

**CDA FUND**

	PERIOD ACTUAL	YTD ACTUAL	BUDGET AMOUNT	VARIANCE	% OF BUDGET
<u>MISCELLANEOUS REVENUE</u>					
900-48100-56 INTEREST INCOME	1.06	11.78	150.00	138.22	7.9
900-48600-56 MISC INCOME	.00	.00	247.00	247.00	.0
900-48630-56 GRANT/LOAN ADMIN/REIMB-REV	.00	1,544.00	.00	( 1,544.00)	.0
<b>TOTAL MISCELLANEOUS REVENUE</b>	<b>1.06</b>	<b>1,555.78</b>	<b>397.00</b>	<b>( 1,158.78)</b>	<b>391.9</b>
<u>OTHER FINANCING SOURCES</u>					
900-49263-56 TRANSFER-TID #6-ADMINISTRATION	.00	.00	12,500.00	12,500.00	.0
900-49264-56 TRANSFER-FD 910-CDA PROGRAMS	.00	.00	45,000.00	45,000.00	.0
900-49290-56 CITY TRANSFER INCOME	.00	.00	72,803.00	72,803.00	.0
900-49300-56 FUND BALANCE APPLIED	.00	.00	14,000.00	14,000.00	.0
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>.00</b>	<b>.00</b>	<b>144,303.00</b>	<b>144,303.00</b>	<b>.0</b>
<b>TOTAL FUND REVENUE</b>	<b>1.06</b>	<b>1,555.78</b>	<b>144,700.00</b>	<b>143,144.22</b>	<b>1.1</b>

**CITY OF WHITEWATER**  
**EXPENDITURES WITH COMPARISON TO BUDGET**  
**FOR THE 3 MONTHS ENDING MARCH 31, 2014**

**CDA FUND**

	<u>PERIOD ACTUAL</u>	<u>YTD ACTUAL</u>	<u>BUDGET AMOUNT</u>	<u>VARIANCE</u>	<u>% OF BUDGET</u>
<u>CDA</u>					
900-56500-115-000	187.50	680.00	12,480.00	11,800.00	5.5
900-56500-151-000	14.82	53.74	986.00	932.26	5.5
900-56500-210-000	.00	.00	100.00	100.00	.0
900-56500-211-000	8,147.80	15,407.80	88,000.00	72,592.20	17.5
900-56500-212-000	40.00	690.00	4,500.00	3,810.00	15.3
900-56500-219-000	.00	.00	600.00	600.00	.0
900-56500-223-000	.00	2,500.00	30,000.00	27,500.00	8.3
900-56500-224-000	.00	6,137.00	6,250.00	113.00	98.2
900-56500-225-000	( .07)	.00	.00	.00	.0
900-56500-310-000	54.30	132.16	200.00	67.84	66.1
900-56500-311-000	.00	.00	200.00	200.00	.0
900-56500-320-000	.00	.00	300.00	300.00	.0
900-56500-321-000	.00	.00	200.00	200.00	.0
900-56500-330-000	.00	.00	484.00	484.00	.0
900-56500-341-000	.00	.00	400.00	400.00	.0
<b>TOTAL CDA</b>	<b>8,444.35</b>	<b>25,600.70</b>	<b>144,700.00</b>	<b>119,099.30</b>	<b>17.7</b>
<b>TOTAL FUND EXPENDITURES</b>	<b>8,444.35</b>	<b>25,600.70</b>	<b>144,700.00</b>	<b>119,099.30</b>	<b>17.7</b>
<b>NET REVENUE OVER EXPENDITURES</b>	<b>( 8,443.29)</b>	<b>( 24,044.92)</b>	<b>.00</b>	<b>24,044.92</b>	<b>.0</b>

ECONOMIC DEVELOPMENT CLIENT	Original Loan	February 28, 2014				March 31, 2014		Current
	AMOUNT	BALANCE	PRINCIPAL	INTEREST	TOTAL	BALANCE		
DR Plastics-2/24/12	\$153,235.00	\$100,567.05	\$2,486.84	\$335.22	\$2,822.06	\$98,080.21	N-thru January 2014	
Walenton/Learning Depot	\$101,925.00	\$78,527.10	\$0.00	\$0.00	\$0.00	\$78,527.10	current	
Walton Rental-Hotel	\$15,000.00	5,358.64	\$257.60	\$18.65	\$276.25	\$5,101.04	current	
960 East Milwaukee	\$204,611.00	\$131,424.65	\$1,084.43	\$328.58	\$1,413.01	\$130,340.22	current	
Black Sheep-1/20/2012	\$21,114.00	\$15,434.60	\$237.15	\$51.45	\$288.60	\$15,197.45	current	
Bikewise-12/27/2012	\$62,600.00	\$56,961.51	\$889.32	\$378.26	\$1,267.58	\$56,072.19	current	
Sweetspot-7-29-13-NEW	\$41,360.00	\$41,360.00	\$0.00	\$0.00	\$0.00	\$41,360.00	first payment due-8/2014	
IButton-12/4/2013-new	\$102,544.00	\$102,544.00	\$0.00	\$0.00	\$0.00	\$102,544.00	first payment due-8/2014	
<b>TOTALS</b>	<b>\$702,389.00</b>	<b>\$532,177.55</b>	<b>\$4,955.34</b>	<b>\$1,112.16</b>	<b>\$6,067.50</b>	<b>\$527,222.21</b>		

UDAG-BUSINESS DEV CLIENT	Original Loan	February 28, 2014				March 31, 2014		Current
	AMOUNT	BALANCE	PRINCIPAL	INTEREST	TOTAL	BALANCE		
DP Electronic Recycling-3/27/13	\$34,600.00	\$34,600.00	\$0.00	\$0.00	\$0.00	\$34,600.00	Y	
Slipstream-8/29/13	\$102,500.00	\$102,500.00	\$0.00	\$0.00	\$0.00	\$102,500.00	Y	
DP Electronic Recycling-12/4/13-royalty	\$51,500.00	\$51,500.00	\$0.00	\$0.00	\$0.00	\$51,500.00	Y	
Bombard-12/4/13-royalty invest	\$100,000.00	\$100,000.00	\$0.00	\$0.00	\$0.00	\$100,000.00	Y	
<b>TOTALS</b>	<b>\$288,600.00</b>	<b>\$288,600.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$288,600.00</b>		

FAÇADE CLIENT	Original Loan	February 28, 2014				March 31, 2014		Current
	AMOUNT	BALANCE	PRINCIPAL	INTEREST	TOTAL	BALANCE		
Walton Distributing	\$30,000.00	\$3,233.62	\$399.28	\$10.78	\$410.06	\$2,834.34	Current	
<b>TOTALS</b>	<b>\$30,000.00</b>	<b>\$3,233.62</b>	<b>\$399.28</b>	<b>\$10.78</b>	<b>\$410.06</b>	<b>\$2,834.34</b>		

HOUSING CLIENT	Original Loan	February 28, 2014				March 31, 2014		Current	Loan Type
	AMOUNT	BALANCE	PRINCIPAL	INTEREST	TOTAL	BALANCE			
A8416	\$10,203.84	\$10,203.84			\$0.00	\$10,203.84		0-deferred	
B935	\$18,420.02	\$18,420.02			\$0.00	\$18,420.02		0-deferred	
B0803-0901	\$34,448.00	\$34,448.00			\$0.00	\$34,448.00		0-deferred	
C021	\$15,517.48	\$15,517.48			\$0.00	\$15,517.48		0-deferred	
C932	\$8,062.00	\$8,062.00			\$0.00	\$8,062.00		0-deferred	
G0107	\$8,000.00	\$500.00	\$100.00	\$0.00	\$100.00	\$400.00	Y	0%-Monthly	
HO #1	\$0.00	\$12,630.00			\$0.00	\$12,630.00		IN PROCESS	
HO #3	\$0.00	\$7,205.00			\$0.00	\$7,205.00		0-deferred	
HO #4	\$0.00	\$37,795.00			\$0.00	\$37,795.00		0-deferred	
HO #5	\$0.00	\$863.08			\$0.00	\$863.08		IN PROCESS	
HO #7	\$0.00	\$25,515.00			\$0.00	\$25,515.00		IN PROCESS	
HO #11	\$180.00	\$0.00			\$0.00	\$180.00		New-Dec 2013	
J8802	\$10,818.00	\$10,818.00			\$0.00	\$10,818.00		0-deferred	
M8501	\$10,621.42	\$11,000.90			\$0.00	\$11,000.90		0-deferred	
M0301	\$8,220.00	\$8,220.00			\$0.00	\$8,220.00		0-deferred	
M0801	\$18,422.00	\$18,422.00			\$0.00	\$18,422.00		0-deferred	
P954	\$11,000.00	\$11,000.00			\$0.00	\$11,000.00		0-deferred	
V902	\$12,504.15	\$12,504.15			\$0.00	\$12,504.15		0-deferred	
<b>TOTALS</b>	<b>\$166,416.91</b>	<b>\$243,124.47</b>	<b>\$100.00</b>	<b>\$0.00</b>	<b>\$100.00</b>	<b>\$243,204.47</b>			

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**Subject:** Loan Manual for economic development

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**From:** Patrick Cannon (pcannon53590@yahoo.com)

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**To:** jpk@knightpublicaffairs.com; lkachsunam@aol.com; psinger@whitewater-wi.gov; JWinship@whitewater-wi.gov; donnah1628@yahoo.com; meyergoof@gmail.com; jallen194@gmail.com;

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**Cc:** bmiller@netwurx.net; CClapper@whitewater-wi.gov; acs@knightpublicaffairs.com;

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**Date:** Sunday, March 23, 2014 3:13 PM

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Good afternoon:

In working on one of our current loan requests, it appears that we need to define our policy manual to better accurately define a few items.

I took the liberty of drafting some revisions to our existing manual. They are highlighted in red. I will give you a quick version of the changes.

Pg. 3 Changes in the adoption date. Also, once I learn how, I will change the cover sheet to put on the correct contact information.

Pg. 13 Added "working capital" as an allowable use of funds. The Department of Administration does allow this as a use of funds. However, our policy did not specifically indicate it is allowable.

Pg 14 Changed the limit per job from \$20,000 to \$35,000. The \$35,000 amount is allowed under the Federal guidelines. It is a local decision if we want to increase the amount. I only placed the change in the manual for discussion purposes. I also defined a "full-time" position. I used 40 hours per week. I also indicated that if a company creates a job and hires two part time people to fill it, we will count it as a full-time position.

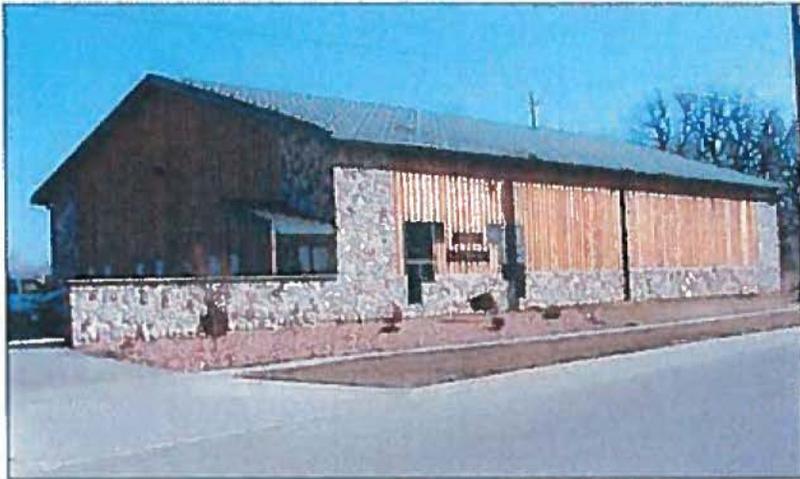
Pg 15 The Capital Ideas Technology Zone is no longer in existence. I redefined our area to be eastern Rock, Jefferson and Walworth counties.

This item is NOT on the agenda for March 26, 2014. I was hoping to address this at the April meeting.

Please let me know if you have any questions

Pat

# City of Whitewater Economic Development Loan Program Policy Manual



Below-market rate financing to City of Whitewater business for real estate, machinery, and equipment

**Industrial Development Loan Program**

**Commercial Enterprise Loan Program**

**Micro-Loan Program**



## Whitewater Community Development Authority

402 West Main Street, Whitewater, WI 53190

262-473-0525

[www.cityofwhitewater.com](http://www.cityofwhitewater.com)

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*Revised as of February 18, 2013*

~~Whitewater CDA Approval – April 11, 2013~~  
*Revised as of April 11, 2013*

*Whitewater CDA Approval April 23, 2014*

*Wisconsin Department of Commerce Approval –*

# Forward

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The Community Development Block Grant (CDBG) funds are received from the US Department of Housing and Urban Development. The Department of Administration (DOA) is the recipient and contracts with the Wisconsin Economic Development Corporation to manage activities associated with economic development. These economic development funds are used to provide grants to local units of government that use funds to loan to a business. The business, in return for the use of public funds, provides private investment in the assisted activity, and most importantly, creates job opportunities, principally for the benefit of low and moderate-income persons.

When a business repays the City of Whitewater the loan (principal and interest payments), these funds are classified as program income and used to capitalize the Whitewater Revolving Loan Fund (RLF). With the RLF the Whitewater Community Development Authority can make additional loans to businesses wishing to expand or locate in the City of Whitewater. When successfully administered, the Whitewater revolving loan fund can expand in its RLF to an amount in excess of the original amount it was able to obtain. This happens when the Whitewater CDA exercises due diligence by performing a thorough credit analysis to determine business viability and adequately securing and servicing the loan. In administering a RLF, the Whitewater CDA becomes a "bank" and accepts all of the responsibilities of a commercial lender when it makes a CDBG or RLF loan to a business.

The City of Whitewater has been the recipient of three grants (in 1984, 1985 and 1990), which have provided the initial capital for its Economic Development Loan Program. During this time the Whitewater Community Development Authority (CDA) has made several loans which have contributed to substantial business growth and job creation. Loans are currently offered under three programs:

- 1) The Industrial Development Loan Program;
- 2) The Commercial Enterprise Loan Program;
- 3) The Micro-Loan Program.

This manual contains the policies, which have been adopted to govern the use of the City of Whitewater's RLF Loan Program.

# 1 *General Provisions*

---

## *Purpose*

The purpose of the policies and procedures contained in this manual, hereafter referred to as the Economic Development Loan Program Manual, is to present the criteria governing activities assisted through the City of Whitewater's Revolving Loan Fund (RLF) Program.

## *Objectives*

Economic development activities assisted with funds made available through the RLF Program are intended to meet the following objectives:

1. To encourage the creation and retention of permanent jobs which provide a wage appropriate to the skills and experience of the local work force and that is competitive. The recipient of the funds must agree that a minimum of fifty-one percent (51%) of jobs created will be made available to persons with low to moderate incomes.
2. To encourage the leveraging of private investment into Whitewater in the form of fixed asset investment, particularly in land and buildings.
3. To perpetuate a positive and proactive business climate this encourages the retention and expansion of existing businesses and helps to attract desirable new businesses.
4. To implement the Whitewater Economic Development Plan goals and objectives.
5. To maintain and promote a diverse mix of employment opportunities and to minimize seasonal or cyclical employment fluctuations.
6. To encourage the development and use of modern technology and create safe work environments.
7. To encourage dairy producers to undertake capital improvement projects that will result in a significant increase in milk production.

## *Loan Programs*

The Whitewater CDA has created three different programs under which it may distribute Economic Development Loan Program funds. Each program has been designed to meet the needs of different types of businesses. These programs are:

1. **Industrial Development Loan Program.** This program is targeted to manufacturing, distribution, and related businesses which have greater capital needs and generally provide larger numbers of jobs. Loans made under this program will not exceed \$300,000, unless exceptional circumstances merit a greater sum.

2. Commercial Enterprise Loan Program. This program is designed to appeal to mid-sized to larger commercial and retail businesses. Loans will generally not exceed \$100,000 unless exceptional circumstances merit a larger sum.
3. Micro-Loan Program. The intent of this program is to encourage new business formation and expansion of small businesses, particularly those located in the downtown business district. Loans under this program may not exceed \$60,000.

## *Amendments*

The Whitewater CDA may from time to time amend the policies and procedures contained within the RLF manual and such amendments are subject to prior written approval by the Wisconsin Economic Development Corporation, administrator of the Wisconsin Community Development Block Grant Program (CDBG) that provides the funds used to capitalize the RLF.

## 2 *Administration*

---

### *Loan Review Board*

Three members of the Board of Directors of the Whitewater CDA will be appointed to serve as a Loan Review Board. These members shall represent a broad interest in the community and shall have expertise and knowledge of commercial lending and economic development processes. Expertise on the Board optimally shall include representation from the City Council, the Whitewater Planning Commission, a local development corporation, the Chamber of Commerce, a business attorney, an accountant and the RLF administrator appointed by the Board. The Loan Review Board will review and recommend loan applications to the full Board of Directors of the Whitewater CDA for final approval. The Loan Review Board will make recommendations for the administration of the Economic Development Loan Program. The Board shall also have the authority to make policy recommendations for the administration of the program. Periodic activity reports prepared by the RLF Administrator shall be provided to members of the Whitewater City Council.

### *Loan Fund Administrator*

The Board of Directors of the Whitewater CDA has designated the CDA Director to serve as the Loan Program Administrator.

The Loan Program Administrator explains the program to prospective applicants, provides written information, assists applicants in completing applications, and processes requests for financing. The Administrator, when necessary and appropriate, will counsel or guide applicants to other more appropriate technical or financial resources when the loan applicant has needs beyond those which may be met through the RLF Loan Program.

The Loan Program Administrator will periodically review all financial statements and loan amortization schedules of loan recipients, review and approve documentation of business expenditures financed with RLF Loan Program proceeds, record RLF Loan Program security instruments, maintain the RLF Loan Program accounting records, **which must be segregated from other CDA and City accounts**, and report semi-annually to the Wisconsin Economic Development Corporation regarding the use of RLF Loan Program funds.

The Loan Program Administrator will maintain all records for the RLF Loan Program, particularly those related to the expenditure of RLF Loan Program funds for administrative purposes.

The CDA's attorney will prepare loan agreements, review promissory notes and mortgage or lien instruments, and counsel the CDA on default matters.

## *Meetings*

Loan Review Board meetings will be held on an as needed basis. Pursuant to section 19.84, Wisconsin Statutes, all Loan Review Board members and the general public will be given prior notice of each meeting. A majority of the Loan Review Board in attendance at a meeting will constitute a quorum which is required for official action. Official actions must have the support of a simple majority of the full membership of the Loan Review Board. Vacant position on the Board shall be counted in determining the total number of Board members.

## *Records*

Written records of all program activities, including minutes of Loan Review Board meetings, meetings of the CDA Board at which action is taken with regard to the RLF Loan Program, loan applications, and all related documents, will be maintained in appropriate files. Files are to be maintained in a secure place with limited access only by authorized personnel. The CDA's legal counsel will be consulted in regard to compliance with state and municipal open records laws.

A master file must be established for each loan recipient. These files are to be maintained in a locked, fireproof file cabinet. The master file must include the following sub-files and contents (as appropriate):

1. Loan Application File. All application, business financial statements, personal financial statements, credit reports, business plan documents, and other supporting loan information submitted to the CDA, including all applicable correspondence, will be placed in this file.
2. Loan Recommendation File. This file will contain a summary of the analysis, recommended actions for the application, and a copy of the minutes of the Loan Review Board meeting and CDA Board meeting summarizing the action taken on the loan request.
3. Loan Closing File. This file contains copies of all loan closing documents. This file contains the legal documents from the loan closing, including security instruments, the note, and other applicable correspondence shall be placed in a locked fire proof safe. Originals of security instruments must be kept in the CDA's safety deposit box. The CDA's attorney shall be involved in helping create and complete this file to ensure complete loan documentation. Copies of the loan closing documents and an amortization schedule will be provided to the loan recipient along with an invoice, if appropriate, for loan closing and servicing fees.
4. "Tickler File" System. A tickler file system should be established and maintained to ensure that loan repayments, financial information, the loan agreement, UCC updates, and other time-sensitive documentation is tracked and obtained or updated as required. The system shall include the following monthly coded index files:
  - a. Expiration dates for property, casualty, and life insurance policies;
  - b. Due dates for all financial statements;

- c. Expiration dates for UCC financial statements. The reminder to update being at least 45 days prior to the expiration of the UCC filing on hand;
  - d. Scheduled dates of annual loan performance and covenant reviews;
  - e. Dates for site visits;
  - f. Due dates for property tax payments and confirmation of payment;
  - g. Review dates for job monitoring; and
  - h. Dates of any scheduled changes in the loan amortization, and notification dates.
5. **Financial Statement File.** This file will contain the business' periodic financial statements as required by loan covenants, with a statement indicating that the Loan Fund Administrator has reviewed the data.
  6. **Progress Report File.** Loan recipients may be required to submit periodic progress reports during the outstanding term of the loan. The Loan Fund Administrator should make periodic site visits to verify information in the progress report and financial statements. These site visits shall be documented for the file.
  7. **Site Visit File.** Site visits should be conducted periodically to each loan recipient, the scheduling of which depends on the nature of the project. A summary of the site visits should be placed in the file, particularly highlighting any information that can help in rating the overall condition/risk of the loan.
  8. **Repayment Monitoring File.** This file should include the loan amortization schedule, status of payments, and the outstanding balance of the loan. Observations suggesting concerns or problems should be reported to the CDA Board of Directors and notations should be placed in the Ticker File to remind the Administrator of the need to provide continued monitoring. If payments are made directly to either the Finance office or to the City Clerk, a copy of the receipt will be placed in this file. These offices must notify the Loan Fund Administrator of the payment.

The CDA will notify the loan recipient in writing of any deficiency and the action to be taken should the payment not be made. Should there be a late payment; the CDA will contact the loan recipient to determine the reason for the delayed payment. Contact may need to be made with other participating lender(s) to determine if their loans are current and to alert the lender of a potential problem. All payments shall be first applied to late payment penalties, then to interest accrued and then to principal.

9. **Loan Review File.** All loans are to be reviewed on an annual basis, and at such other times as may be deemed necessary by the CDA. The review should follow receipt of any required year-end financial statements, the year-end progress reports, and site visits. A report on the loan review will be placed in the file and may address the following:
  - a. Timeliness of payments;
  - b. Condition of collateral securing the loan;
  - c. Status of security documents;

- d. Overall financial condition of the business;
  - e. Presence of material liens or lawsuits; and
  - f. Violations of loan covenants and suggested corrective actions.
10. If the business is experiencing problems with any of the above criteria, the Loan Fund Administrator is to work with the loan recipient to identify actions needed to correct the deficiencies, including possible restructuring of the loan to protect the CDA's interest and meet the needs of the business. If appropriate, the Administrator will arrange for business assistance through available public or private resources, including the University of Wisconsin-Extension, Small Business Development Center (SBDC), the Service Corp of Retired Executives (SCORE) and other entities having an interest serving the needs of the business.

In the event that the findings of the loan review suggest serious problems, particularly if the loan is in risk of default, the account should be turned over to the CDA's attorney for legal action to protect the loan and to ensure the maximum repayment of the balance due. Again, corrective actions may be achieved through restructuring or if necessary, foreclosure actions.

## *Administration*

Reasonable administrative funds may be withdrawn from the RLF Loan Program to cover personnel costs and other administrative expenses. Local funds may be used in situations when loan repayments are insufficient to cover administrative costs. Administrative expenses up to 15% of program income (defined as loan payments received during the year, plus interest on bank balances, and other income to the program) may be used for direct loan administration costs. In addition to paying costs for a Loan Fund Administrator, these funds may be used for the following purposes:

1. Legal costs;
2. Consulting fees for credit analysis, business plan reviews and technical assistance;
3. Costs associated with the advertising and promotion of the loan program;
4. Office supplies, copying, mailing and related expenses; and
5. Training costs for personnel involved in administering the program.

## *Application and Closing Fees*

To generate additional revenue to cover administrative costs, if necessary, the CDA may also establish loan origination fees, servicing fees and other fees to cover charges directly related to either processing an application or servicing the loan. All fees collected go to the RLF program. The accounting of the fee revenue placed in the RLF shall include separate line items to track administrative expenses recovered.

The following fees will be assessed:

1. Industrial Development Loan Program. At the time of closing, loan recipients will be assessed a 1% fee for administrative expenses, along with the actual legal fees related to loan origination.
2. Commercial Enterprise Loan Program. At the time of closing, loan recipients will be assessed a 1% fee for administrative expenses, along with the actual legal fees related to loan origination.
3. Micro-Loan Program. At the time of closing, loan recipients will be assessed a \$150 fee.

# 3 *Eligibility Considerations*

---

## *Eligible Area*

The area served by the RLF shall generally be within the corporate limits of the City of Whitewater.

## *Eligible Applicants*

Applications may be submitted by any authorized representative of a business wishing to establish a new operation or expand an existing operation located within the City of Whitewater.

No member of the CDA Board of Directors, Loan Review Board, or any other official, employee, or agent of the City of Whitewater who exercises decision-making functions or responsibilities in connection with the implementation of the RLF Loan Program is eligible for financial assistance under this program.

No program loans will be made in conflict with section 946.13 Wisconsin Statutes (Private Interest in Public Contract Prohibited).

Applicants may not be disqualified based on age, race, religion, color, handicap, sex, physical condition, or development disability as defined in s. 51.01 (5), sexual orientation or national origin.

## *Eligible Activities*

Program loans are available to applicants for the following activities:

1. Acquisition of land, buildings and fixed equipment;
2. Site preparation and construction or reconstruction of buildings (including leasehold improvements), provided that they are in keeping with any covenants or design guidelines (such as the Whitewater Business Park Covenants) imposed by the City of Whitewater or Whitewater CDA, and are consistent with plans approved by the City of Whitewater Plan & Architectural Review Commission;
3. Installation of fixed equipment;
4. Clearance, demolition, or removal of structures or rehabilitation of buildings (including leasehold improvements) and other such improvements, provided they are in keeping with any covenants or design guidelines (such as the Whitewater Business Park Covenants) imposed by the City of Whitewater or Whitewater CDA, and are consistent with plans approved by the City of Whitewater Plan & Architectural Review Commission;

5. Payment of assessments to a business for sanitary sewers, water mains, public streets, and other improvements if the provision of the improvements will directly create or retain jobs. The use of RLF Loan Program funds in this manner must be in the form of a loan to a business which is assessed for these costs. RLF Loan Program funds may not be used to finance public improvements paid for by the City.
6. Purchase of dairy cows resulting in significant long-term increases in capacity to produce milk.
7. **Working Capital for the purpose of business expansion.**

## *Ineligible Activities*

Program loans may not be used for the following activities:

1. Refinancing or consolidating of existing debt;
2. Reimbursement for expenditures made prior to loan approval unless prior approval is obtained;
3. Specialized equipment that is not essential to the business operation;
4. Residential construction or reconstruction unless such reconstruction is intended to convert the use of the residential building to a business or industrial operation. Program funds may be applied to the exterior or other necessary improvements to mixed-use (commercial/residential) buildings where such improvements are directly attributable to the commercial enterprise operating within the building. RLF Loan Program funds may not be applied to conversion or rehabilitation of residential units.
5. Routine maintenance;
6. Professional services such as feasibility and marketing studies, accounting, management services, and similar activities. The cost of legal services incurred in closing the RLF Loan Program loan are eligible;
7. Other activities that the Loan Review Board may identify during the administration of the program.

## *Ineligible Businesses*

Program funds may not be made available to the following entities:

1. Speculative investment companies;
2. Real estate investment companies (except for facilities from which the business operates);
3. Lending institutions;
4. Gambling operations;

5. Recreational facilities which do not allow access to the general public
6. Other businesses not serving the interests of the City of Whitewater;
7. Any government body or governmental entity (including the City of Whitewater or Whitewater CDA); and
8. Not-for-profit businesses or organizations.

Additionally, businesses are allowed only one outstanding loan under the Economic Development Loan Program. In order to apply and be considered for a subsequent loan under the program, the outstanding balance (principle and interest) of the existing loan must be paid in full.

## *Minimum Requirements*

To be eligible for funding, a project must meet all of the following minimum requirements:

1. **Private Funds Leveraged.** The applicant must leverage a minimum of one dollar of private funds for every one dollar of loan funds requested. Higher leverage may be required at the discretion of the Loan Review Board.
2. **Cost Per Job Created.** At least one full-time, permanent position must be created for every ~~\$20,000~~ **35,000** of program funds requested. The CDA may require job creation at a rate greater than one job per ~~\$20,000~~ **35,000** loaned, upon taking into consideration the type of jobs, hourly wage, benefits, etc. **A full-time permanent position is defined as working an average of 40 hours per week. A full time position may be filled by two or more part time employees who complete identical tasks or duties.**
3. **Financial Feasibility and Business Viability.** The applicant must demonstrate that the proposed project is viable and the business will have the economic ability to repay the funds.
4. **Low and Moderate Income (LMI) Benefits** Each project must demonstrate that it meets the CDBG-ED national objectives of benefiting low to moderate income persons as defined by CDBG **regulations.**

The project shall create jobs, at least 51% of the jobs will be held by or Made Available to LMI Persons.

“LMI Persons” means persons with household income less than eighty (80) percent of the median household income by family size in either Jefferson or Walworth counties. Depending on where the business is located.

“Made Available to LMI Persons” means the Borrowers must document that at least 51% LMI Persons were hired or Received First Consideration by interviewing at least 51% LMI Persons for created positions that do not require special skills or education beyond high school.

“Received First Consideration” means the Borrower must document and use a hiring practice that results in at least 51% LMI Persons interviewed for created positions and

demonstrate that under usual circumstances this hiring practice will result in at least 51% LMI persons being hired. Part of the Borrower's hiring practice must include posting of available positions with the local Job Service Office or Workforce Development Boards.

The following documentation evidencing compliance must be collected: A listing of all job titles which were planned to be held by or made available to low to moderate income persons, a commitment to hiring at least 51% of jobs available to low to moderate income persons, a written plan for how such persons were given first consideration for jobs including what hiring practice was used, a list of the low to moderate income persons interviewed for particular positions, including the size and annual income of the person's family prior to interviewing for the position.

5. Compliance with Applicable Laws. Applicants will comply with all applicable local, state, and federal laws and codes.
6. Project Completion. Project shall be completed within 24 months from the date of the loan approval. Applicants must provide the CDA with a project implementation time schedule not exceeding 24 months. All required jobs must be created within 24 months of the date of loan closing, and these jobs must be retained by the business for a minimum of 24 months.
7. Owner Equity. Applicants for the Micro-Loan Program must have minimum ten percent equity in the business to qualify for a loan.
8. Federal Anti-Piracy. The borrower must certify that it does not have immediate plans to relocate jobs in violation of CDBG Anti-Piracy regulations. The following language will be included in all agreements with the borrower. "The Borrower certifies it is and will maintain compliance with CDBG Anti-Piracy regulations as stated in CFR 570.482(h). Violation of this regulation will constitute an Event of Default."

## *Job Retention*

It is the intent of the Whitewater CDA to utilize its Economic Development Loan Program to foster development of new jobs in the community. Under exceptional circumstances, the Whitewater CDA may consider loans to businesses for job retention. In order for retained jobs to be considered, the following conditions must be met:

1. The jobs to be retained must offer wages at or above the average wage within ~~the Capital Ideas Technology Zone (which includes Dane, Jefferson, and Rock Counties and the City of Whitewater, and was \$15.45 as of January 1, 2003)~~ **Walworth, Jefferson and eastern Rock Counties;**
2. The jobs must provide benefits consistent with those provided by a majority of area businesses; and

3. The business must provide convincing proof that the jobs would be eliminated or transferred outside of the City of Whitewater if the loan were not made available.

# 4 *Terms and Conditions*

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## *Terms and Conditions*

Loan terms and conditions will be structured based upon need and ability to repay. Minimum standards include the following:

1. **Loan Amount.** Loan amounts are based upon the jobs being created and/or retained and are subject to the availability of RLF Loan Program funds and the following:
  - a. The maximum loan amount under the Micro-Loan Program will be \$60,000.
  - b. Loans under the Commercial Enterprise Loan Program will generally not exceed \$100,000. A larger loan amount may be recommended by the Loan Review Board where circumstances (for example, very high wages or potential economic impact) warrant it.
  - c. Loans under the Industrial Development Loan Program will generally not exceed \$300,000. A larger loan amount may be recommended by the Loan Review Board where circumstances (for example, very high wages or potential economic impact) warrant it.
2. **Interest Rate.** The Loan Review Board will recommend an interest rate subject to the following considerations:
  - a. The interest rate on all Micro-Loan Program loans will be set at 4.00%.
  - b. The interest rate on Industrial Development and Commercial Enterprise loans may be set from a minimum of 3.00% to a rate equal to 2.00% above prime (defined as the prime rate of interest as published in the Midwest edition of the Wall Street Journal plus 2.00%).
3. **Loan Terms.** Loan terms will be determined by the Loan Review Board subject to the following guidance:
  - a. Working capital loans shall have a maximum term of ten years.
  - b. Loans for machinery, equipment, and fixtures will have a maximum term of ten years.
  - c. Real estate loans will have a maximum term of twelve years which can be amortized up to a twenty-year basis with the option of refinancing for an additional eight years.
  - d. Loan terms will be set so that there is an approximate parity between the amortized balance of the loan and the remaining value of the collateral. Loans se-

cured by rapidly-depreciated equipment should have a shorter amortization than loans secured by real estate.

- e. Loans may be amortized with balloon payments.
  - f. The term of any loan made under the RLF Loan Program may not exceed the term of private financing used to meet the matching funding requirements of the project
  - g. All loans will be written to require regular monthly payments.
4. Deferment of Principal and Interest. The Loan Review Board may recommend deferring principal and/or interest payments on demonstration of need by the recipient. Interest will accrue during the deferral period and may be paid in one lump sum at the end of the deferral period or added to the principal of the loan and amortized over the remaining term of the loan. Loan payments may be deferred for a maximum of twelve monthly payments (or one full year from the date the loan is originated).
  5. Prepayment. There are no penalties for prepayment of an RLF Loan Program loan.
  6. Collateral. The CDA will seek the best possible collateral position to ensure that RLF Loan Program loans are adequately secured.

# 5 *Application Procedures*

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## *Discussion of Program Requirements*

Prior to submitting an application, the applicant must discuss the program with the Loan Fund Administrator. The Administrator will assist the applicant, as is reasonably necessary, in completing the application. All financial information will be kept in a secure place with limited access by authorized personnel only.

## *Timing of Applications*

There is no proscribed funding cycle for this program. Applications may be submitted at any time.

## *Priority of Consideration*

Applications are reviewed in the order received and based on readiness for the proposed project to proceed. In the event that the loan funds requested exceed available funds, the following criteria will be used to determine which business(es) will be awarded the loan(s):

1. Eligibility of the applicant.
2. Eligibility of the project to be undertaken.
3. Ability of the project to secure funding from other sources.
4. Extent to which other public funds are used to support the project.
5. The extent to which private funds are leveraged.
6. The extent to which jobs are created, type of jobs, wages and benefits.
7. The extent to which the loan will be secured.
8. Evidence of ability to repay the loan.
9. Size of the loan requested.
10. Timing of the proposed expenditures.
11. Completeness of the application.
12. Other factors as deemed appropriate by the Loan Review Board.

## *Loan Application*

Applicants must submit an application using the form available for the appropriate Economic Development Loan Program and that includes the following:

1. **Business Description.** A written description of the business including:
  - a. A brief history of the existing or proposed business, including when it started or is to start, type of operation, legal structure, market and products;
  - b. Key customers and clients;
  - c. Resumes of each principal associated with the business including number of years experience in the business, educational background, and role in the business; and
  - d. A financial history of the business including balance sheets, profit/loss statements, cash flow statements, and accountant notes for the previous three years.
2. **Project Description.** A detailed description of the sources and uses of the funds needed for the project, including Economic Development Loan Program funds, private sector funds, equity, etc.
3. **Commitments from Other Lenders.** Letters of commitment are required from all other public and private sector entities providing financing for the project. Lender commitments should include a description of the type of financing being offered, the amount, the term, interest rate, security, availability, repayment schedule and amounts, and any conditions placed on the financing. These commitments may be obtained concurrently with the negotiation of the terms and conditions of the RLF Loan Program loan.
4. **Projections.** Provide pro formas (a balance sheet, income statement and cash flow statement) covering a three year period based on the assumption that the business will obtain the requested loan from the Whitewater CDA.
5. **Additional Information.** Additional information may be requested by the Loan Review Board or the Loan Fund Administrator.

## *Review Process*

Specific steps in the review process include the following:

1. **Preliminary Review.** The Loan Fund Administrator will review the application for completeness and verify that the proposed project meets the minimum requirements as outlined in this manual. If the application is not complete, the Administrator will inform the applicant of the deficiencies.
2. **Formal Review.** The Loan Review Board will meet to review an application prior to the next regularly scheduled meeting of the CDA Board of Directors. Once the review is completed, the Loan Review Board will forward a recommendation to the CDA Board of

Directors to either approve or deny the loan, along with any recommended terms or conditions.

3. **Negotiation of Terms.** Upon tentative acceptance by the CDA Board of Directors, the Administrator will contact the business in writing to explain the terms of the loan offer being extended.
4. **Notice of Award.** If the application is approved, a closing will be scheduled to execute the necessary loan documents.
5. **Rejection of Award.** If the applicant is not approved, the Administrator will send a letter to the applicant stating the reasons for the rejection and offering to meet with the applicant to explore ways to strengthen the loan request or to identify potential alternative sources of financing.

# 6 *Distribution of Funds*

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## *Loan Procedures*

Prior to releasing funds, the following documentation must be in place or provided at the appropriate time during the term of the loan.

1. Notice of Award. The Loan Review Board must have reviewed and approved a complete application for an eligible applicant.
2. Loan Agreement. The CDA's attorney will prepare a loan agreement to be executed by the CDA Executive Director, CDA Board Chairperson or Co-Chair, and authorized representative(s) of the business.
3. Promissory Note. A promissory note will be prepared by the CDA's attorney and signed by the authorized representative of the business at the time of the loan closing. The note must be dated, it must reference the agreement between the CDA and the business, and it must specify the amount and terms of the loan funds delivered
4. Security. Mortgage and/or lien instruments and/or personal guarantees provided as security for all loans will be prepared by the CDA's attorney and executed at the time of the loan closing. The CDA's attorney, or the Loan Fund Administrator, must record the instrument and place a copy in the project file to include:
  - a. Mortgage and/or security agreement;
  - b. UCC searches and filing;
  - c. Guarantee agreement;
  - d. Title insurance or abstract;
  - e. Assignment of life insurance;
  - f. Casualty insurance binder;
  - g. Personal guarantees; and
  - h. Other documentation as may be appropriate.
5. Repayment Schedule. A loan repayment or amortization schedule will be prepared by the Loan Fund Administrator at the time funds are disbursed. The repayment schedules shall be dated and signed by both the CEO and the Chief Executive Officer of the business. The repayment schedule will be attached to both parties' copies of the agreement.
6. Evidence of Permits, etc. Documentation must be provided by the applicant that all necessary permits, licenses, and other registrations required have been obtained by the applicant prior to the release of program funds.

7. Evidence of Program Expenditures. Documentation must be provided by the business to evidence the program expenditures. Documentation may include bills and invoices or receipts for materials, final bills of sale or cancelled checks. All documentation will be approved by the Loan Fund Administrator.
8. Fixed Equipment. Fixed equipment financed with program funds must have been purchased, delivered and installed. The Loan Fund Administrator will verify the installation of fixed equipment.
9. Other Documentation. As appropriate or necessary, the borrower may be asked to provide the following:
  - a. A Certificate of Status from the Department of Financial Institutions;
  - b. Articles of Incorporation and Bylaws;
  - c. A Board resolution to borrow funds and Secretary's certificate;
  - d. Current financial statements;
  - e. Evidence of having secured other funds necessary for the project; and
  - f. An Environmental Assessment for real estate loans which may either is a Phase I, II or III analysis, depending on the condition of the site.

With the above documentation in place, the Loan Fund Administrator will schedule a loan closing. All documents will be executed before funds are disbursed, and mortgages and UCC statements must be recorded with the Register of Deeds and the Secretary of State.

# 7 *Post-Approval Requirements*

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## *Obligation of the Loan Recipient*

In addition to the terms and conditions of the loan, all borrowers must agree to comply with the following conditions. These conditions must be written into the terms of the agreement prepared by the CDA's attorney.

1. **Job Creation.** The creation or retention of the agreed upon number of jobs within 24 months of the date of execution of the loan agreement with the CDA, and requirement to maintain those jobs for a minimum of 24 months.
2. **Non-Discrimination.** Not to discriminate on the basis of age, race, religion, color, handicap, sex, physical condition, development disability as defined in s. 51.05(5), sexual orientation or national origin in an employment or construction activity related to the use of the business loan funds.
3. **Use of Funds.** To use the loan money only to pay the cost of services or materials necessary to complete the project or activity for which the loan funds were awarded.
4. **Inspections by the CDA.** To permit inspections by persons authorized by the CDA of all projects and properties assisted with the loan funds. Related project materials will also be open to inspections which include, but may not be limited to contracts, materials, equipment, payrolls, and conditions of employment. Requests for inspection must be compiled with by the borrower.
5. **Records.** To maintain records on the project as may be requested by the CDA. These files must be maintained as long as the loan is active or for at least three years after completion of the work for which the loan has been obtained, whichever is longer.
6. **Progress Reports.** To submit periodic progress reports to the Loan Fund Administrator in accordance with the schedule in the loan agreement. These reports should report on project progress including the number of jobs created or retained during the loan agreement.
7. **Insurance.** To maintain fire and extended coverage insurance on the project property required during the term of the loan. The CDA must be listed as the Loss Payee, Mortgagee, or "additional" insured on the policy. Term life insurance may be required of the applicant in an amount equal to the loan balance through the life of the loan.
8. **Compliance with Federal Law.** To abide by all federal laws, when applicable. These include, but may not be limited to the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the Davis-Bacon Act as amended, the Contract Work Hours and Safety Standards Act, the Copeland "Anti-Kickback" Act, and all regulations pursuant to these acts.

9. To collect the attached self-certification forms from every applicant for each job created by CDBG funds.

## 8 *Performance Monitoring*

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### *Private Leverage Commitments*

The Loan Fund Administrator will monitor the use of funds and expenditure of private leverage commitments. Documentation may include invoices or receipts for materials and supplies, letters from lenders, final bills of sales, and cancelled checks.

### *Hiring of New Employees*

The Loan Fund Administrator will monitor the borrower's progress in meeting job creation or retention goals. Job creation may be documented using payroll records. Before-project and after-project records must be provided by the borrower to document job creation. Failure of the business to provide the targeted number of LMI jobs may be a condition of default unless the business can show it made a good faith effort to create the targeted number of LMI jobs but did not succeed due to reasons beyond its control. In addition, to ensure compliance with the LMI requirements, employers must collect the self-certification form from every applicant for each job created by the CDBG funds.

### *Relocation from the City of Whitewater*

RLF Loan Program loans are made only to businesses located within the corporate limits of the City of Whitewater. Loans made to businesses which subsequently move jobs or facilities from the City of Whitewater are subject to the following actions:

1. The business is subject to a penalty equal to the difference in interest paid at the rate established for the loan versus the interest which would have been paid if the loan had been written at the prime rate of interest on the date of closing (defined as the prime rate of interest as published in the Midwest Edition of the Wall Street Journal) plus two percent.
2. RLF Loan Program loans become due and payable immediately.

### *Default*

In the event the business is in default on any of the terms and conditions of the loan agreement, all sums due and owing, including penalties, will, at the CDA's option, become immediately

due and payable. Loans found to be in default may be subject to a default rate of the prime rate on interest on the date of closing (defined as the prime rate of interest as published in the Midwest Edition of the Wall Street Journal) plus two percent. To exercise this option, the CDA's attorney will prepare a written notice to the business. The notice must specify the following:

1. The default;
2. The action required to cure the default;
3. The date, not less than thirty days from the date of notice, by which the default may be cured to avoid foreclosure or other collective action; and
4. Any penalties incurred as a result of the default, jobs, etc.

## 9 *Use and Reporting of Payments*

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### *Use of Loan Payments*

Repaid loans must be deposited into the RLF Loan Program account(s) and used in a manner consistent with the policies and procedures manual. A separate accounting record must be kept for each loan to account for all funds loaned.

### *Reporting Requirements*

The RLF Loan Program account(s) must be audited on an annual basis and the Loan Fund Administrator shall provide reports at times and on forms as required by the state of Wisconsin.

# 10 *Loan Program Servicing*

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## *Program Monitoring*

The Loan Program Administrator will monitor each loan to ensure compliance with the loan terms and conditions and to monitor the financial health of the business to ensure continued payment of the loan. The monitoring will also ensure that all record keeping requirements are met, particularly in regard to job creation and expenditures of matching funds.

A loan servicing file shall be established and maintained for each loan recipient that includes all written correspondence; a record of important telephone calls, a list of applicable loan covenants: certification of insurance for builder's risk, property-casualty and life insurance, as applicable and documentation for job creation and retention including low and moderate income certification forms.

The Loan Program Administrator will monitor the overall RLF Loan Program including all records of individual loans, funds deposited to bank accounts, use of administrative funds, and other program funds. The Loan Program Administrator will monitor the effectiveness of the RLF Loan Program, market the program, and recommend policy and procedures to the Board of Directors of the Whitewater CDA.

## *Monthly Reporting to the CDA Board*

The Loan Program Administer will provide a monthly summary report of the RLF Loan Program and provide this to the CDA Board of Directors. The intent of the report is to offer a snapshot of the status of existing loans and balances in the program accounts. The report will include the following information:

1. Summary information for each outstanding loan, including the starting balance, payments received during the month, current balance, and status of payments;
2. Summary information on RLF Loan Program accounts, including starting balance, debits and credits to the accounts, and ending balances;
3. Funds available to lend and funds committed; and
4. A written summary of any collection activity or other non-routine activity relating to the program.

## *Monthly Reporting to the City of Whitewater*

The various loan programs offered through the Whitewater CDA are included in the financial information reported by the CDA to the City of Whitewater on a monthly basis. Accounting for these programs occurs within the financial reporting system used by the city. The CDA will report the balances of all RLF Loan Program accounts, outstanding loan balances, and all transactions that occurred during the month. Loan program accounts are subject to the city's requirement for an annual audit.

## *Program Records*

The Loan Program Administrator will maintain records associated with the general administration of the RLF Loan Program, including:

1. Applications to the Wisconsin Department of Commerce for grant funds used to establish or fund the RLF Loan Program;
2. Contracts with the Wisconsin Department of Commerce and/or the Wisconsin Economic Development Corporation for grant funds awarded;
3. Policy and procedures manuals or other guidance issued by the Wisconsin Department of Commerce and/or the Wisconsin Economic Development Corporation relating to administration of the RLF Loan Program;
4. Policy and procedures manuals and other guidance adopted by the Whitewater CDA or City of Whitewater relating to the administration of the RLF Loan Program;
5. Documentation of any actions taken by the Whitewater CDA or City of Whitewater relating to the RLF Loan Program;
6. General documentation and correspondence relating to the RLF Loan Program;
7. Bank statements, checkbook registers, deposit records, check copies, certificates, and all other documentation relating to RLF Loan Program funds deposited at area financial institutions;
8. Records of administrative expenses paid through the use of program funds;
9. Records of activity taken to market the RLF Loan Program;
10. Monthly Loan Status Reports provided to the Whitewater CDA Board of Directors; and
11. Semi-annual reports filed with the Wisconsin Department of Commerce and /or the Wisconsin Economic Development Corporation.

## *Program Monitoring Schedule*

The Loan Program Administrator will establish a monitoring schedule to provide a reminder of the dates on which actions need to be taken to service the RLF Loan Program. The monitoring file should record the following dates:

1. Due dates of certificates of deposit in which program funds are invested;

2. Reporting dates to the Wisconsin Economic Development Corporation;
3. Date upon which the terms of outstanding loans are due to be modified according to the loan agreement;
4. Dates by which loan recipients are scheduled to provide financial statements or progress reports;
5. Expiration dates of required insurance;
6. Dates upon which loans are due to be paid off, or balloon payments are due;
7. Dates by which loan recipients are required to meet job creation requirements (both to create the jobs and to maintain them for a period of at least 24 months);
8. Dates by which UCC Filings are scheduled to be renewed; and
9. Dates upon which annual loan recipient reviews are to be conducted

## *Individual Loan Records*

A Master File will be established for each loan made through the RLF Loan Program. The Master File will include several sub-files, with the contents arranged as follows:

1. Loan Application File. This file contains all of the documentation relating to application for the loan. The following items will be placed in this file:
  - a. Application and related documentation;
  - b. Business financial statements;
  - c. Personal financial statements;
  - d. Credit reports;
  - e. Business plan documents;
  - f. Supporting loan information; and
  - g. Correspondence.
2. Loan Recommendation File. This file will contain a record of deliberations in considering the request for a loan under the RLF Loan Program. It may include the following:
  - a. Loan application analysis;
  - b. Recommended actions;
  - c. Record of recommendations by the Loan Review Board;
  - d. Minutes of the CDA Board of Directors; and
  - e. Notice of Approval or Notice of Rejection.
3. Loan Closing File. This file includes all documentation relating to the closing of the loan. Some original documents may be kept in the CDA's safety deposit box for added securi-

ty. Copies of these will be placed in the file along with a note indicating that the original is in the safety deposit box. This file may contain:

- a. Loan closing documents;
  - b. Security instruments;
  - c. Mortgage or Promissory Note;
  - d. Other legal documents;
  - e. Correspondence related to the closing;
  - f. Amortization schedule; and
  - g. Invoices for fees.
4. "Tickler File" System. The "tickler file" is a listing of time-sensitive monitoring requirements, intended to alert the Loan Program Administrator to actions which may need to be taken to adequately secure the CDA's interests in the loan. It should include any of the following which may be applicable to the loan:
- a. Expiration dates of insurance (life or property) required in the loan agreement;
  - b. Expiration dates of any UCC filings;
  - c. Dates by which the business is scheduled to submit any financial statements required in the loan agreement;
  - d. Dates on which the loan is to receive its annual review;
  - e. Dates on which property taxes are due for which the loan recipient may be liable;
  - f. Job monitoring dates (both the date by which jobs must be created, and the close of the 24-month period for which the jobs must be retained); and
  - g. Any scheduled changes to the amortization schedule.
5. Financial Statement File. This file contains the business's financial statements submitted to the CDA.
- a. Periodic financial statements required to be submitted by the loan recipient; and
  - b. Confirmation of review by the Loan Program Administrator.
6. Site Visit File. This file will contain a record of site visits made by the Loan Program Administrator to the project location or loan recipient.
7. Progress Report File. This file will contain progress reports submitted by the business.
8. Repayment Monitoring File. This file contains all records relating to the loan payment history of the loan recipient. It will include the following:
- a. Business financial statements (if required);
  - b. Personal financial statements (if required);

- c. Loan Payment Register (showing payment history to present, and the status of the loan);
  - d. Copies of checks received in payment on loans;
  - e. Correspondence related to loan repayment;
  - f. Records of any collection activities taken by the CDA; and
  - g. Records of any default or legal action taken by the CDA regarding collection of the loan.
9. Loan Review File. This file will contain the Annual Loan Review report prepared by the Loan Program Administrator.

## *Record Security*

All files related to the various loan programs and to loans made under those programs will be maintained in a locked, fireproof file cabinet with access only by authorized personnel.

Original copies of mortgages and other recorded documents will be kept in the CDA's safety deposit box. Copies will be included in loan files maintained at the CDA's office.

## *Loan Payment Register*

A Loan Payment Register will be established for each loan. The Loan Payment Register will include the following:

1. Dates on which payments are due;
2. Starting balance;
3. Amount paid;
4. Allocation of principle and interest;
5. Ending balance;
6. Check number (or notation if cash or electronic fund transfer); and
7. Date payment was received;

## *Late Payment*

All loan payments must be made in a timely manner. Payments made within ten (10) days of the due date will be considered on time. If payment is not received on the due date, the actual account balance will be compared to the scheduled balance shown on the amortization schedule. In the event that past payments have been larger than re-

quired, if the current balance is less than the scheduled balance, the payment will not be considered past due. The following procedure will apply to all past due loan payments:

1. Payment less than ten (10) days past due. The date on which payment is received will be noted on the loan repayment log. No further action will be taken.
2. Payment ten (10) days past due. The loan recipient will be contacted by telephone to notify them of the past due payment and to discuss when payment will be received. If applicable, a late fee may be assessed. A record of the telephone conversation will be placed in the loan file.
3. Payment fifteen (15) days past due. If payment is not received within fifteen (15) days of the due date, written notice will be sent to the loan recipient notifying them that payment is past due and requesting immediate payment of the scheduled amount plus any applicable penalties. A copy will be placed in the loan payment file.
4. Payment thirty (30) days past due. A written notice will be sent to the loan recipient via certified mail, reminding them that payment is past due and notifying them of a potential default. The letter will include any actions that must be taken to avoid default, and the date by which action must be taken (not more than sixty (60) days from the date of the notice on which payment must be received). Notice will be given to the CDA Board at its next regularly scheduled meeting and the Board will determine if any additional steps are warranted.
5. Payment sixty (60) days past due. An additional written notice will be sent to the loan recipient via certified mail. This notice will contain the information included in the original notice and a reminder that the loan will be considered in default if payment is late by ninety (90) days or more.
6. The CDA Board will be updated on the status of the loan at its next regularly scheduled meeting. The Board will determine if any additional steps are warranted.
7. Payment ninety (90) days past due. In the event that payment is not received within ninety (90) days of its due date, the loan may be considered in default. All sums due or owing to the CDA may, at its option, become due and payable and may be subject to a default rate of interest, if provided for in the loan agreement. The CDA Board may turn the matter over to its attorney for legal action in order to recover loan proceeds through the liquidation of collateral and/or the exercising of personal guarantees.

## *Troubled Loans*

When loan monitoring indicates that the loan recipient may be experiencing financial or potential problems that could threaten the viability of the loan or the business, the CDA will make appropriate attempts to assist the recipient.

## *Accounts*

Funds that are not loaned to businesses will be deposited in bank accounts. These funds should be divided among a checking account and certificates of deposit, maximizing both access to the funds to write new loans, and interest earnings. The following guidelines apply:

1. Checking account – The checking account should target a balance of approximately \$250,000. This is approximately enough to complete two new loans during any quarter.
2. Certificate(s) of Deposit – Remaining funds over the \$250,000 balance in the checking account will be placed into certificates of deposit, coming due every 91 days at the end of each quarter (i.e., March 31, June 30, September 30, and December 31).

*Appendix A*

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*Loan Application*

# *Application - City of Whitewater RLF Loan Program*

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## *Part I - General Information*

Business Name			
Business Address			
Contact Name			
Contact Address			
Contact Phone		Contact Fax	
Contact E-Mail		Company Web Site	

## *Part II - Business History*

<p>Provide a brief history of the existing or proposed business, including the following items:</p> <ul style="list-style-type: none"><li>• year started</li><li>• significant markets</li><li>• primary products</li><li>• legal structure</li><li>• significant events in the company's history</li><li>• key clients</li><li>• any additional information that may help to describe the business and the products or services it provides.</li></ul>	
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*Part III - Project Description*

Provide a summary of the proposed project including information about:

- start and completion dates
- real estate acquisition
- construction activity, including estimated value of improvements
- machinery and equipment purchases
- product or market information
- total project cost
- job creation

*Part IV - Sources and Uses of Funds*

Provide information about how the project will be funded. What are the proposed sources of funding for major project components such as real estate, construction, machinery, etc.?

Proposed Use of Funds	Source and Amount of Funds				Total
	Owner Equity	ED Loan			
<b>Total</b>					

*Part V - Job Creation*

Provide information about the new jobs that will be created as a result of this project. Only include information about full-time, permanent (year-round) jobs.

Job Title	Average Hourly Wage	Benefits Provided?	Number of New Full-Time Jobs Created			
			1 <sup>st</sup> Year	2 <sup>nd</sup> Year	3 <sup>rd</sup> Year	Total
		Select One				
		Select One				
		Select One				
		Select One				
		Select One				
		Select One				
		Select One				
		Select One				
<b>Total Jobs Created</b>						
<b>Current Number of Jobs in the City of Whitewater</b>						
Provide information on the types of benefits provided to employees. For health, life, and dental insurance, provide information on the percentage of costs paid by the employer and employee.						
Provide information on new part-time or seasonal jobs that will result from the proposed project.						

*Part VI - Collateral*

Provide information about collateral available to secure the CDA's loan to the business. This may include real estate, machinery and equipment, inventory, etc.

Available Collateral	Current Value	Appraisal Available?	Equity Available	CDA in subordinate position?
				Select One
Total				
<p>Provide a brief description of the collateral available to secure the CDA's loan. Include relevant information on its current value, equity available, and other lenders secured by the same collateral.</p>				

*Part VII - Attachments*

The following information must be attached to the application in order for it to be considered complete.

- Resumes of each principal associated with the business, including experience, educational background, role in the business, and other relevant information.
- A financial history of the business including balance sheets, profit/loss statements, cash flow statements, and accountant notes for the past three years.
- Projections including balance sheets, profit/loss statements, and cash flow statements for three years from the date of application.
- Letter(s) of commitment from other lenders on the project (if any) describing the type of financing being offered, amount, interest rates, security, availability, and repayment schedule.
- A copy of the company's business plan, or those segments of the business plan relating to the proposed project.
- Any other documentation that reinforces the viability of the proposed project, or that helps to describe the company and its products.

*Part VIII - Trade Secrets / Confidentiality*

- Please review the application and indicate whether any of the information provided is considered a trade secret or considered confidential by the business. Wisconsin State Statutes require that certain information received by the CDA and used to consider the loan application be considered public information. Generally, certain financial, product, and market information may be considered a trade secret and may not be subject to release by the CDA.

*Part IX - Certification*

I hereby certify that the information provided above and in the attached supporting documentation is to the best of my knowledge true and accurate. I also authorize the Whitewater Community Development Authority to perform both business and personal checks as a part of this application process.

\_\_\_\_\_  
Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name

\_\_\_\_\_  
Date

*Appendix B*

---

*Annual Loan Review*

# Economic Development Loan Program

## ANNUAL LOAN REVIEW

---

Loan Review Report Conducted {month, year}

---

COMPANY NAME

DATE OF LOAN

PRINCIPAL AMOUNT

TERM

AMORTIZATION

MO. PAYMENT

BALLOON

---

COMMENTS

## PART ONE – REVIEW OF LOAN FILE

---

Date on which loan files were reviewed

Loan file review conducted by

- Loan file if complete and all dated material is current
- Loan file is not complete and/or dated material is not current

Explanation:

Actions taken and follow-up required:

Date on which loan files were completed

---

Comments

### **Loan Application File**

---

*The Loan Application File will be reviewed to ensure that it contains the required documents.*

- Application
- Business Financial Statements
- Personal Financial Statements
- Credit Reports
- Business Plan Documents
- Supporting Loan Information
- Correspondence

Comments

## Loan Recommendation File

---

*The Loan Recommendation File will be reviewed to ensure that it contains the required documents.*

- Loan Application Analysis
- Recommended Actions
- Loan Review Committee Minutes
- Notice of Approval or Rejection

Comments

## Loan Closing File

---

*The Loan Closing File will be reviewed to ensure that it contains the required documents. Some of these items may require the original to be stored in the safety deposit box. A copy should be placed in the file and the location of the original noted.*

- Loan Closing Documents
- Security Instruments
  - Original in safety deposit box
- Mortgage or Promissory Note
  - Original in safety deposit box
- Correspondence
- Other Legal Documents
- Amortization Schedule
- Invoices for Fees

Comments

## "Tickler File" System

---

*The "Tickler" File will be reviewed to ensure that it contains the required documents, that all documentation is current, and that suspense dates are noted.*

Insurance Documents

Expiration Date:

Financial Statements

UCC Financing Statements

Expiration Date:

Loan Performance Review

Annual Review Date:

Site Visits

Property Taxes

Job Monitoring

New Jobs Required:

Current Employment

Full-time:

Part-time:

Changes to Amortization Schedule

Comments

## Financial Statement File

---

*The Financial Statement File will be reviewed to ensure that it contains the required documents.*

Periodic Financial Statements

Confirmation of Review by RLF Administrator

Comments

## Site Visit File

---

*The Site Visit File will be reviewed to ensure that it contains the required documents.*

Annual Site Visit Reports

Comments

## **Progress Report File**

---

*The Progress Report File will be reviewed to ensure that it contains the required documents.*

Annual Progress Reports

Comments

## **Repayment Monitoring File**

---

*The Financial Statement File will be reviewed to ensure that it contains the required documents.*

Business Financial Statements

Personal Financial Statements

Loan Payment Register

Correspondence Related to Repayment

Comments

## **Loan Review File**

---

*The Loan Review File will be reviewed to ensure that it contains the required documents.*

Annual Loan Review Reports

Comments

## PART TWO – SITE VISIT REPORT

---

*To be completed by CDA Director / RLF Administrator*

Date on which site visit was conducted

Site Visit Conducted by

SITE VISIT REPORT

## PART THREE – PROGRESS REPORT

To be completed by CDA Director / RLF Administrator

Date Prepared

Completed by

### FILE REVIEW

- File contains all required documents
- File is missing required documents

Comments

### REPAYMENT HISTORY

- Payments have been made in a timely manner
- Payments have not been made in a timely manner

Comments

### JOB CREATION

- Job creation requirements have been met
- Job creation requirements have not been met

Comments

### OBSERVATIONS

# Memorandum

To: CDA Board Members

From: Patrick Cannon  
Executive Director

Re: Non Regional CDNG Housing Program

Date: April 17, 2014

At the March, 2014 CDA meeting the Board took action to not join the regional approach to the CDBG RLF housing program. Staff was asked to obtain some additional information regarding the program.

I spoke with the Department of Administration person responsible for this program. She was able to answer my questions. They are:

1. The program only deals with home rehabilitation loans. These are the loans being made to a home owner to complete repairs to the owner occupied home. The repairs are limited in their scope as they are intended to make the home livable. It is not a remodeling program.
2. The Program does not allow for any new construction, unless it deals directly with a medical issue or is to relieve overcrowding of a family. It is for repairs only.
3. If a developer wishes to use CDBG funds to develop LMI housing, they would need to use a separate program.
4. A copy of the application is attached if we continue to operate outside of the regional approach. I would also point out that MSA Professional Services currently administers this program on our behalf.
5. The funding that would be available to us is based upon the current number of LMI households in Whitewater. Currently, we have 5,075 houses that meet the requirements. The amount of funding that we would be eligible to receive is \$16,849.00.
6. When asked about the City being in two counties and hence two separate regions, she indicated that they will need to address this issue if we determine to participate in the program. If we choose to remain outside the program. The regions will not affect us.

The item is on the agenda for additional discussion, the application to remain outside the program is due by May30, 2014.

Please let me know if you have any questions.

COMMUNITY DEVELOPMENT  
BLOCK GRANT PROGRAM (CDBG)

**2014 NON-REGIONAL CDBG  
HOUSING FINAL APPLICATION**

&

INSTRUCTIONS

**DEADLINE MAY 30, 2014**

Division of Housing



Tel. 608.261.6535

NON-REGIONAL COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

GENERAL INFORMATION

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This publication for the 2014 Community Development Block Grant (CDBG) award process presents the application form and criteria to be used for applications submitted under the Wisconsin 2014 CDBG Housing program.

**I. Definitions**

**A. Division of Housing (DOH)**

The Division of Housing is the agency responsible for the direct administration of the CDBG Housing program.

**B. Entitlement City/County**

A city or urban county which receives CDBG funds directly from the Department of Housing and Urban Development (HUD). Entitlement cities and counties are not eligible to receive CDBG funds. A list of entitlement cities and counties may be found at <http://www.doa.state.wi.us/Divisions/Housing/CDBG-RLF>

**C. Accessibility Improvements**

Rehabilitation to permit improved access to low – and moderate - income (LMI) persons with physical challenges is a permitted use of CDBG funds.

**D. Labor Standards**

Some housing projects require that federally established wage rates be paid to workers. In order to accurately estimate the cost of your projects, you must determine if labor standards (Davis-Bacon) apply.

**E. Low Income (LI)**

LI means 50% of the county median income, or 50% of the state median income, whichever is greater, by family size as annually determined by HUD. The 2014 Income Levels are now available on our website under this link:  
<http://www.doa.state.wi.us/Documents/DOH/CDBG-Housing/HouseholdInLimits2014.pdf>

**F. Moderate Income (MI)**

MI means 80% of the county median income, or 80% of the state median income, whichever is greater, by family size as annually determined by HUD. The 2014 Income Levels are now available on our website under this link:  
<http://www.doa.state.wi.us/Documents/DOH/CDBG-Housing/HouseholdInLimits2014.pdf>

## II. Eligible Applicants

- A. To be eligible to request funding under this grant program, the applicant must be a general purpose unit of local government not participating in the CDBG Entitlement Program. Indian Tribes are not eligible for the CDBG Small Cities Program. They receive funding under a special Indian Block Grant administered by the Department of Housing and Urban Development.
- B. To be eligible for the 2014 CDBG Housing Program, an applicant with past CDBG housing awards must show evidence of project completion and must be compliant with all CDBG projects. Any and all identified flagrant violations of CDBG administrative rules must be resolved to DOH's satisfaction.
- C. To be eligible, an applicant with an active CDBG housing contract must be able to close the current CDBG housing contract before signing a new housing contract.
- D. An applicant may submit only one application for CDBG Housing funds per funding cycle.
- E. To be an eligible applicant, the local unit of government must have adopted a Fair Housing ordinance prior to May 30, 2014. Documentation of the ordinance is a required part of the application. The applicant's Fair Housing ordinance may adopt the state's Fair Housing statute (Chapter 106.50, Wis. Stats.) by reference. If the applicant chooses, it may adopt its own Fair Housing ordinance. The ordinance must, at a minimum, include the following protected classes:

familial status	religion
handicap	national origin
age	color
sex	race

- A. To be an eligible applicant, the local unit of government must have conducted a Citizen Participation public hearing in the manner detailed in this application. Documentation of the public hearing is a required part of the application.

## III. Eligible Activities

- A. Activities eligible under the CDBG Small Cities Housing program include but are not limited to:
  - \* deferred payment housing rehabilitation loans to LMI owner-occupants
  - \* 0% - 3% rehabilitation loans to owners of LMI renter-occupied units (Attachment 2)
  - \* handicapped accessibility improvements such as wheelchair ramps and wider doorways for LMI households with handicapped household members
  - \* sewer and water laterals from the lot line to the LMI-occupied dwelling unit

- \* wells and septic systems for LMI-occupied dwelling units
- \* direct assistance to LMI households to facilitate and expand homeownership (e.g., reasonable closing costs and up to 50% of the required downpayment). Applicants for homebuyer assistance funds should be aware that homebuyer education will be a required component of this activity
- \* conversion of structures into dwelling units to be occupied by LMI households
- \* neighborhood code enforcement activities which will result in improvements to LMI occupied units
- \* hazard mitigation activities such as floodproofing, landscaping to improve drainage, or sewer back flow prevention

#### **IV. Ineligible Activities**

Activities NOT eligible for funding under the CDBG Small Cities Housing program include:

- A. New housing construction (includes: digging basement, drain tiles, foundation, backfill, driveway, parking lot, private sidewalk).
- B. Additions or the converting/finishing of vacant or under-used space (except as necessary to relieve overcrowding).
- C. Appliances (except built-in to address accessibility).
- D. Furnishings (includes blinds and fixtures).
- E. Mechanicals in new construction (water heaters, furnaces).

#### **V. Estimated Funding Level**

1. It is estimated that approximately \$500,000 will be available for funding CDBG non-regional housing applications in 2014. Funds will be determined using the same formula as the CDBG Housing regions.

## VI. Grant Award Modification

The Division of Housing reserves the right to adjust the award amount based on the following criteria:

- \* ACTIVITY and AMOUNT of existing revolving loan fund.
- \* CAPACITY to complete the proposed activities.
- \* LMI BENEFIT of the proposed activities.
- \* OTHER HOUSING GRANTS currently in force in the community.
- \* FUNDING AVAILABILITY.
- \* PERFORMANCE and PROGRESS in any and all other DOH programs.
- \* FINANCIAL AUDIT results from any and all other DOH programs.

## VII. Citizen Participation - Public Hearing Requirements

All applicants for CDBG housing funds must adopt, or have already adopted, a Citizen Participation (CP) Plan. As a part of the Citizen Participation Plan, a public hearing is held to offer area residents the opportunity to be involved in the development of the CDBG application. The public hearing must be held in conjunction with a meeting of the applicant's representative governing body (board or council) or its designated Citizen Participation Committee.

To be eligible for funding under the CDBG - the applicant must:

- Advertise the public hearing at least once prior to the CP hearing.
- Publish (or post, if the applicant typically posts public hearings) the CP hearing notice at least **2 weeks (10 business days) prior to the CP hearing** unless state and/or local requirements allow for less time.
- Use the language specified by the Division of Housing (see Pg. 15) for the CP hearing notice.
- Include a copy of the notice and an Affidavit of Publication (or posting, if applicable) with the application.
- Hold the CP hearing at a time and location convenient to potential beneficiaries.
- Hold the CP hearing in place that is handicapped accessible.
- Include in the identification of potential funds available, any CDBG revolving loan funds anticipated to be realized during the contract year.
- Include a copy of the public hearing minutes, signed by the clerk or other appropriate applicant staff member, documenting the discussion of the published agenda items. Alternatively, the applicant may submit a Citizen Participation Certification (see Attachments in the Final Application Form).

**VIII. CDBG Contract**

The CDBG contract performance period will be approximately 12-months.

**IX. Funding Cycle**

Final applications for the 2014 Non-Regional CDBG Housing program must be received no later than 5:00 p.m. May 30, 2014. Award letters are anticipated to be sent in June 2014.

**X. Other Considerations**

DOH reserves the right to amend, modify, or withdraw this application package and any of the grant program instructions, procedures, or rules contained herein and may exercise such right at any time and without notice and without liability to any applicant or other parties for their expenses in the preparation of an application or otherwise.

**XI. Disbursal of Funds**

Successful applicants receiving CDBG grant awards will be required to manage their funds so that the disbursal of funds takes place within 3-10 days of receipt. Grantees not able to disburse funds in the 3-10 day period must be prepared to advance funds and work on a reimbursement basis.

**XII. Current Income Limits**

The current Income Limits are available for download under this link:  
<http://www.doa.state.wi.us/Documents/DOH/CDBG-Housing/HouseholdIncLimits2014.pdf>

They are updated by HUD on the annual basis. Please make sure you are using current income limits for your county.

**XIII. Procurement for administrative services.**

The Department requires all grantees to adopt written Procurement Procedures prior to procuring for administrative services. A grantee must use procurement procedures that are in conformance with State and local laws and regulations, Federal law and the standards described at the application training.

The Department is asking final applicants not to release any Request for Proposal until a representative of the local unit of government attends the Implementation training.

The intent of federal regulations is to require maximum open and free competition. The arrangements, where a consultant offers to prepare a grant application at cut rates or no cost in return for a future contract, if the application is funded, are prohibited by federal regulations. Some firms may suggest this approach because costs incurred by local government are not eligible for reimbursement with CDBG funds. However, these arrangements violate federal regulations which require "maximum open and free competition". To eliminate unfair competitive advantage, if the grantee has used a contractor to develop final application, the grantee should exclude that contractor from the competition for administrative services.

**No CDBG funds will be released for prematurely procured contracts.**

**XIV. Required list of Attachments for the 2014 CDBG Final Application.**

The following documents must be scanned and attached as PDF document. Samples and Templates are provided for download in the Attachment section of the 2014 CDBG Final Application.

1. A copy of the Citizen Participation Plan and evidence that it was adopted by the applicant's governing body.
2. A copy of the Citizen Participation public hearing announcement as it appeared in the newspaper (or was posted, if applicable) along with an Affidavit of Publication or Posting.
3. A copy of the minutes of the Citizen Participation public hearings signed by the clerk or other appropriate applicant staff member, or a signed Citizen Participation Certification.
4. A copy of the local unit of government resolution to withdraw from the CDBG Housing Region.
5. A copy of the resolution adopted by the governing body of the applicant authorizing submission of the application.
6. A copy of the resolution adopting a local Fair Housing ordinance which includes all protected classes currently identified by the federal government and all other requested Fair Housing documentation.
7. A signed copy of the Statement of Assurances. Please note, the local units of government that do not have their own Police force should cross out # 7 and #8 on the Statement of Assurances.
8. A signed copy of the Certification for Contracts, Grants, Loans and Cooperative Agreements (lobbying certification).
9. A copy of the anti-displacement policy.
10. A detailed map of the community, no larger than 11" x 17", showing its location in the state; showing street names, indicating specific project locations, if known; and the central business district.
11. A copy of Excessive Use of Force Policy.
12. A copy of Non-Violent Demonstration Policy.

## CITIZEN PARTICIPATION PLAN REQUIREMENTS

Citizen participation is required in the planning and administration of CDBG projects. All CDBG applicants must prepare and implement a written Citizen Participation Plan as specified in Section 104 (a)(3) of the Housing and Community Development Act of 1974 as amended.

A CDBG grant may be made only if the applicant certifies that it has established and is following such a plan. The Citizen Participation Plan must include, at a minimum, the elements listed below:

- A. Provision for and encouragement of citizen participation, with particular emphasis on participation by persons of low- and moderate-income (LMI) who are residents of target area neighborhoods in which the CDBG funds are proposed to be used.

The applicant must meet this requirement by doing at least one of the following:

- 1. Establish a committee composed of persons representative of the community's demographics. This committee must include at least one LMI person and one resident of the designated target area. The committee members should also include representatives from the local government, real estate, banking, and labor communities. This committee will assume the responsibility for coordinating all required elements of the Citizen Participation Plan. All committee members must be residents of the community.
- 2. Distribution of timely notification of all required meetings to 100 percent of the designated target area or neighborhood. Applicants not having a target area, must design a notification system which will reach a majority of the community's LMI population. All notifications of meetings and available assistance must be worded in such a way as to encourage LMI participation.

- B. Provision to citizens of reasonable and timely access to local meetings, information, and records relating to the applicant's proposed and actual use of funds.

To meet this requirement, the applicant must:

- 1. Attempt to have at least one of the public hearings in the target area.
- 2. Notify the community of upcoming meetings not less than two (2) weeks prior to the meeting.
- 3. In all meeting announcements, include where, and during what hours, information and records relating to the proposed and actual use of funds may be found.

- C. Provision for technical assistance to groups representative of LMI households that request such assistance in developing proposals with the level and type of assistance to be determined by the applicant.

To meet this requirement, the applicant must include in the adopted Citizen Participation Plan:

- 1. Type of assistance generally available.

2. The procedure used to request the assistance.

D. Provision for public hearings to obtain citizen views and to respond to proposals and questions at all stages of the community development program, including at least:

1. The identification and development of housing, public facility and economic development needs.
2. The review of proposed activities.
3. Review of program performance, the hearings for which shall be held after adequate notice, at times and locations convenient to potential or actual beneficiaries, and with accommodation for the handicapped.

To meet this requirement, in part, the applicant must arrange to have all meetings related to the CDBG projects in handicapped accessible locations.

E. Provision of timely written answers to written complaints and grievances within 15 working days where practical.

To meet this requirement, the applicant must:

1. Include the complaint/grievance procedure steps in the Citizen Participation Plan.
2. Develop a procedure to ensure compliance with the 15 working day response time.

F. Identify how the needs of non-English speaking (including the hearing impaired) will be met in the case of public hearings where a significant number of non-English speaking residents reasonably can be expected to participate.

To meet this requirement, the applicant must:

1. Identify all non-English speaking populations in the community (regardless of American or Wisconsin citizenship) and make a determination of their special needs.
2. Include evidence in the Citizen Participation Plan that the community has conducted a review of this matter consistent with the Housing and Community Development Act of 1974 as amended.

## SAMPLE

### CITIZEN'S PARTICIPATION PLAN COMMUNITY DEVELOPMENT PROGRAM VILLAGE OF GRANTVILLE

#### PURPOSE

In order for the Community Development program to operate effectively and to address the needs of the citizens of the Village of Grantville, the entire population must be kept informed. The decision-making process must be open and consistent with state and federal regulations. To accomplish this, the following plan will be followed:

#### PROGRAM OVERSIGHT

1. The Community Development Program is administered by the Grantville Community Development Committee by the authority of the Grantville Village Board. The Community Development Committee will also serve in the capacity of the Citizen Participation Committee.
2. To insure responsiveness to the needs of its citizens, the Village of Grantville shall provide for and encourage citizen participation. Particular emphasis shall be given to participation by persons of low- and moderate-income (LMI) who are residents of blighted areas of the Village.

#### CITIZEN PARTICIPATION COMMITTEE

1. A Citizen Participation Committee (CPC) shall be established. The CPC shall be responsible for coordinating and overseeing all required elements of this Citizen Participation Plan.
2. The CPC shall consist of at least five members appointed by the Village President. The membership of the CPC shall be composed of persons representative of the community's demographics. This committee must include at least one LMI person. The committee members should also include representatives from the local government, real estate, banking and labor communities. All members must be residents of the community.

#### NOTICES OF HEARINGS

1. Official notice of hearings will be by public notice in the Grantville Gabber-Press two weeks preceding the hearing. In addition, the public notice shall be posted at Village Hall. These notices will include time, place and date of meeting, as well as a brief agenda.
2. For projects concentrated in a specific area or neighborhood, in addition to the above notification, notices shall be posed at locations of public gathering within the target area or neighborhood.
3. All notifications of meetings and available assistance will be worded in such a way as to encourage LMI participation.

## REQUIRED PUBLIC HEARINGS

Public hearings shall be held to obtain citizen views and to enable residents to respond to proposals at all stages of the community development program, including the development of needs, the review of proposed activities and the review program performance. Hearings shall be held after adequate notice, at times and locations convenient to potential or actual beneficiaries and with accommodations for the handicapped, and, if needed, for non-English speaking persons.

1. The first hearing will receive citizen views and provide an explanation of:
  - a. Community development needs, objectives and strategies.
  - b. The CDBG program including goals, objectives, application process, amount of funds available, timetable, eligible activities, etc.
2. The first hearing also will receive citizen views and provide a summary of proposed activities, including explanation of how they address community development needs and objectives.
3. The second hearing will receive citizen views and provide a review of the performance of the funded activities.
4. The first public hearing shall be held prior to the submission of the final application for funds. The second public hearing shall be held during the implementation of the program.

## PROGRAM INFORMATION/FILES/ASSISTANCE

1. Technical assistance will be provided to any citizen who requests information about program requirements. Assistance with the application process will be provided by Village officials or support staff. A Village representative will meet with citizens on request.
2. The Village will maintain, in the Village Hall, a record of all citizen participation efforts including minutes of meetings, newspaper clippings, and copies of notices and brochures.
3. Citizens will be invited to make proposals regarding the application. If suitable proposals are submitted in writing, a written response will be provided within 15 days. Every effort will be made to respond to all proposals prior to the final action on that subject.
4. Citizens may petition or request in writing assistance or changes. The Village staff will respond to all such requests within 15 days after the CPC has met to discuss the request.

## COMPLAINTS

The Village will handle citizen complaints about the program in a timely manner. The Village will respond in writing to all written letters of complaint within 15 days after receipt of the

complaint. The nature and disposition of verbal complaints will be reported in a complaint log. The first contact for complaints should be made to the Village President.

In addition to the above procedure, any citizen wishing to object may complain directly to the following address:

Diane McGinnis  
Department of Administration  
Division of Housing  
P. O. Box 7970  
Madison, WI 53707-7970

#### NON-ENGLISH SPEAKING RESIDENTS

The Village will regularly survey the community to identify non-English speaking persons and will make all special efforts to assure them equal opportunity in the citizen participation process.

PUBLIC HEARING NOTICE TEMPLATE

APPLICANT NAME  
PLACE  
DATE  
TIME

The \_\_\_\_\_ of \_\_\_\_\_ will conduct a public hearing regarding its proposed application for the 2014 Community Development Block Grant (CDBG) funds. The public is invited to attend to learn about the CDBG program, to help identify additional local housing and community development needs, and to comment on the activities proposed to be included in the CDBG application.

The agenda for the public hearing is:

1. Identification of total potential funds.
2. Eligible CDBG activities
  - a. Economic Development
  - b. Public Facilities
  - c. Housing
    - (1) Rehabilitation
    - (2) Homebuyer Assistance
    - (3) Special Housing Projects
3. Presentation of identified housing and community development needs.
4. Identification of housing and community development needs by public.
5. Presentation of activities proposed for CDBG application, including potential residential displacement.
6. Citizen input regarding proposed and other CDBG activities.

Residents of the \_\_\_\_\_ of \_\_\_\_\_ are encouraged to attend, especially residents with low to moderate incomes.

The meeting room is handicapped accessible.

Persons needing additional accessibility accommodations should contact \_\_\_\_\_ at \_\_\_\_\_ (phone number).

**\*\*\* In order to meet federal requirements for the CDBG Public Hearing Notice, please use this template in its entirety. Deleting some information may result in non compliance. Please consult with CDBG staff prior to making any changes.**

TEMPLATE

RESOLUTION ADOPTING A CITIZEN PARTICIPATION PLAN

WHEREAS, the Village/Town/County of \_\_\_\_\_ has applied for a Community Development Block Grant, and

WHEREAS, the State of Wisconsin Department of Administration and the U.S. Department of Housing and Urban Development require recipients of Community Development Block Grant monies to have in place a Citizen Participation Plan; and

WHEREAS, the Citizen Participation Plan shall encourage citizen participation (especially by persons of low to moderate income), provide citizens reasonable and timely access to local meetings and information, provide for technical assistance, provide for public hearings, provide for a complain procedure and accommodate non-English speaking residents; and

WHEREAS, the Village/Town/County of \_\_\_\_\_ has prepared and publicly reviewed a Citizen Participation Plan.

NOW THEREFORE BE IT RESOLVED, the Village Board of the Village/Town/County of \_\_\_\_\_ officially adopts the Citizen Participation Plan.

Adopted this \_\_\_\_th day of \_\_\_\_\_, 2014 by the Village/Town/County Board of the Village/Town/County of \_\_\_\_\_.

Approved:

\_\_\_\_\_  
Lotta Cash, Village President

Attest:

\_\_\_\_\_  
Cora Nation, Clerk

CITIZEN PARTICIPATION CERTIFICATION

I, \_\_\_\_\_, as Clerk for the \_\_\_\_\_ of \_\_\_\_\_, hereby certify that the following checked topics were discussed at the Community Development Block Grant (CDBG) Citizen Participation public hearing held at \_\_\_\_\_ o'clock, on \_\_\_\_\_.

1. \_\_\_\_\_ Basic overview of the CDBG program.
2. \_\_\_\_\_ Total CDBG funds (including anticipated revolving loan funds) available for housing, public facilities and economic development.
3. Types of activities eligible using CDBG funds for:
  - a. \_\_\_\_\_ Economic Development
  - b. \_\_\_\_\_ Public Facilities
  - c. \_\_\_\_\_ Housing
    - (1) Rehabilitation
    - (2) Homebuyer Assistance
    - (3) Special Housing Projects
4. \_\_\_\_\_ Housing needs identified by staff/consultant prior to the public hearing.
5. \_\_\_\_\_ Community development (public facilities, economic development) needs identified by staff/consultant prior to the public hearing.
6. \_\_\_\_\_ Housing needs identified by attendees of the public hearing.
7. \_\_\_\_\_ Community development needs identified by attendees of the public hearing.
8. \_\_\_\_\_ Activities proposed for CDBG application.
9. \_\_\_\_\_ Potential for residential displacement as a result of the proposed CDBG activities.
10. \_\_\_\_\_ Public attending the meeting were offered an opportunity to discuss the proposed CDBG application.

Minutes of the above-described meeting are available on request.

\_\_\_\_\_  
Signature of Clerk

\_\_\_\_\_  
Date

\_\_\_\_\_  
Typed Name of Clerk

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
Notary Public,

\_\_\_\_\_ County

My Commission expires: \_\_\_\_\_

SAMPLE

RESOLUTION

Cooperation Agreement for CDBG Program

This agreement entered into on the \_\_\_\_ day of \_\_\_\_\_, 2014 by and between \_\_\_\_\_ and \_\_\_\_\_.

WITNESSED:

WHEREAS, \_\_\_\_\_ has (have) an identified need in the municipalit(y)(ies) to provide decent housing, and

WHEREAS \_\_\_\_\_ contemplates submitting jointly with \_\_\_\_\_ an application for funds under the Community Development Block Grant - Small Cities (CDBG) housing competition of the Wisconsin Division of Housing for the purpose of meeting those needs, and

WHEREAS, \_\_\_\_\_ and \_\_\_\_\_ desire to and are required to, enter into a written cooperative agreement with each other to participate in such CDBG program, and

WHEREAS, \_\_\_\_\_ and \_\_\_\_\_ understand that \_\_\_\_\_ will act as the applicant and will have the ultimate responsibility to assume all obligations under the terms of the grant including assuring compliance with all applicable laws and program regulations and performance of all work in accordance with the contract.

WHEREAS, it is understood that the U.S. Department of Housing and Urban Development and the Wisconsin Division of Housing (DOH) have access to all participants' grant records and authority to monitor all activities,

NOW, THEREFORE, pursuant to Wisconsin Statutes 66.0301, the \_\_\_\_\_ and \_\_\_\_\_ agree to cooperate in the submission of an application for such funds, and agree to cooperate in the implementation of the submitted CDBG program, as approved by the Department of Administration, and the DOH.

Nothing contained in this agreement shall deprive any municipality of any power or zoning, development control or other lawful authority which it presently possesses.

ADOPTED on this \_\_\_\_ day of \_\_\_\_\_, 2014.

ATTEST: \_\_\_\_\_, Clerk

The above Cooperation Agreement has been authorized by the governing body of \_\_\_\_\_ by Resolution No. \_\_\_\_\_, dated \_\_\_\_\_.

On behalf of \_\_\_\_\_:

\_\_\_\_\_  
(Name, Title)

(REPEATED FOR EACH PARTY TO THE AGREEMENT)

AN ORDINANCE TO CREATE SECTION \_\_\_\_\_ OF THE MUNICIPAL CODE  
OF THE \_\_\_\_\_  
ADOPTING WISCONSIN STATUTES, SECTION 106.50, AS AMENDED,  
RELATING TO THE EQUAL RIGHTS OF ALL PERSONS TO FAIR HOUSING, AND  
PROVIDING MEANS FOR THE IMPLEMENTATION AND ENFORCEMENT THEREOF.

THE \_\_\_\_\_ OF \_\_\_\_\_ DOES ORDAIN AS FOLLOWS:

Section \_\_\_\_\_ is created to read as follows:

FAIR AND OPEN HOUSING

WHEREAS, the \_\_\_\_\_ of the \_\_\_\_\_  
recognizes its responsibilities under Section 106.50, Wisconsin Statutes, as amended, and  
endorses the concepts of fair and open housing for all persons and prohibition of discrimination  
therein;

THEREFORE, BE IT ORDAINED THAT:

- 1) The \_\_\_\_\_ of the \_\_\_\_\_  
hereby adopts Section 106.50, Wisconsin Statutes, as amended, and all subsequent  
amendments thereto.
- 2) The officials and employees of the \_\_\_\_\_ shall assist in the  
orderly prevention and removal of all discrimination in housing within the  
\_\_\_\_\_ by implementing the authority and enforcement  
procedures set forth in Section 106.50, Wisconsin Statutes, as amended.
- 3) The Municipal Clerk shall maintain forms for complaints to be filed under  
Section 106.50, Wisconsin Statutes, as amended, and shall assist any person  
alleging a violation thereof in the \_\_\_\_\_ to file a complaint  
thereunder with the Wisconsin Department of Work Force Development, Equal  
Rights Division, for enforcement of Section 106.50, Wisconsin Statutes, as  
amended.

\_\_\_\_\_  
Chief Elected Official

ATTEST:

\_\_\_\_\_  
Municipal Clerk

Adopted: \_\_\_\_\_

Published: \_\_\_\_\_

Effective: \_\_\_\_\_



The following Residential Antidisplacement and Relocation Plan must be signed by all recipients of federal funds prior to receiving those funds.

### RESIDENTIAL ANTIDISPLACEMENT AND RELOCATION PLAN

The (Organization Name) will provide relocation assistance, as described in 570.496a (b)(2) and in the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended.

The (Organization Name) will replace all occupied and vacant occupiable low- and moderate-income dwelling units demolished or converted to a use other than as low- and moderate-income housing as a direct result of activities assisted with funds provided under the Housing and Community Development Act of 1974, as amended, and described in 24 CFR 570.496a (b)(1) and in Section 104 (d) of the Housing and Community Development Act of 1974, as amended. All replacement housing will be provided within three years of the commencement of the demolition or rehabilitation relating to conversion.

Before obligating or expending funds that will directly result in such demolition or conversion, the (Organization Name) will make public and submit, in writing, to the Department of Administration, Division of Housing, the following information:

1. A description of the proposed activity.
2. The general location on a map and approximate number of dwelling units by size (number of bedrooms) that will be demolished or converted to a use other than as low- to moderate-income dwelling units as a direct result of the assisted activity, and that will be provided as replacement dwelling units.
3. A timetable for the commencement and completion of the demolition or conversion.
4. The source of funding and time schedule for the provision of replacement dwelling units.
5. The basis for concluding that each replacement dwelling unit will remain a low- to moderate-income dwelling unit for at least ten years from the date of initial occupancy.

Consistent with the goals and objectives of activities assisted under the Act, the (Organization Name) will take appropriate steps to minimize the displacement of persons from the homes.

Adopted by the (Organization Name) Board on: \_\_\_\_\_

\_\_\_\_\_  
Signature of Authorized Official

\_\_\_\_\_  
Title

\_\_\_\_\_  
PRINT Signature of Authorized Official

**SAMPLE**

**RESOLUTION**

**Authorizing Submission of the Application**

Relating to the (CITY, TOWN, COUNTY, VILLAGE) of (NAME)'s participation in the Wisconsin Community Development Block Grant housing program for Small Cities.

WHEREAS, Federal monies are available under the Wisconsin Community Development Block Grant housing program, administered by the State of Wisconsin, Department of Administration, Division of Housing, for the purpose of housing activities; and

WHEREAS, after public meeting and due consideration, the (NAME OF APPROPRIATE COMMITTEE/BOARD/COUNCIL) has recommended that an application be submitted to the State of Wisconsin for the following projects:

***(INSERT A BRIEF LIST OF PROPOSED PROJECTS)***

WHEREAS, it is necessary for the (COUNTY BOARD, CITY COUNCIL, VILLAGE BOARD, TOWN BOARD), to approve the preparation and filing of an application for the (CITY, TOWN, COUNTY, VILLAGE) to receive funds from this program; and

WHEREAS, the (COUNTY BOARD, CITY COUNCIL, VILLAGE BOARD, TOWN BOARD) has reviewed the need for the proposed projects and the benefits to be gained therefrom;

NOW, THEREFORE, BE IT RESOLVED, that the (CITY COUNCIL, COUNTY BOARD, VILLAGE BOARD, TOWN BOARD) of (NAME) does APPROVE and authorize the preparation and filing of an application for the above-named projects; and

BE IT FURTHER RESOLVED, that the (MAYOR, COUNCIL PRESIDENT, BOARD CHAIRMAN, VILLAGE PRESIDENT) is hereby authorized to sign all necessary documents on behalf of the (CITY, TOWN, COUNTY, VILLAGE); and

BE IT FURTHER RESOLVED, that authority is hereby granted to (NAME OF APPROPRIATE COMMITTEE) to take the necessary steps to prepare and file the appropriate application for funds under this program in accordance with this resolution.

ADOPTED on this \_\_\_\_ day of \_\_\_\_\_, 2014.

ATTEST: \_\_\_\_\_, Clerk

The above resolution has been authorized by the governing body of \_\_\_\_\_

By RESOLUTION No. \_\_\_\_\_, dated \_\_\_\_\_:

\_\_\_\_\_  
Name Title

\_\_\_\_\_  
Name Clerk

STATEMENT OF ASSURANCES

I, \_\_\_\_\_, \_\_\_\_\_, of \_\_\_\_\_,  
(name of chief elected official) (title) (community name)

in \_\_\_\_\_ County certify that the \_\_\_\_\_ in \_\_\_\_\_ County  
(community name)

1. Will minimize displacement as a result of activities associated with CDBG funds, and will follow an adopted residential antidisplacement and relocation assistance plan;
2. Will conduct and administer its program in conformance with the Civil Rights Act of 1964 and the Fair Housing Act, and affirmatively further fair housing;
3. Will develop and implement a citizen participation plan in accordance with the provisions of Section 104 (a)(2) and (3) of the Housing and Community Development Act of 1974, as amended;
4. Will not use assessments or fees to recover the capital costs of CDBG-funded public improvements from low- and moderate-income owner-occupants;
5. Has identified its housing and community development needs, including those of low- and moderate-income persons, and the activities to be undertaken meet such needs.;
6. Will comply with 24 CFR 570.608 regarding notification, inspection, testing, and abatement procedures concerning lead-based paint;
7. Has adopted and will enforce a policy prohibiting use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations in accordance with Section 519 of Public Law 101-144; and
8. Has a policy of enforcing applicable state and local laws against physically barring entrance to or exit from a facility or location which is the subject of non-violent and civil rights demonstrations within its jurisdiction; and
9. Will not enter into a contract with any entity that is debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation.
10. Will comply with the other provisions of the Community Development Block Grant Program;
11. Will maintain documentation of compliance with the above certifications.

\_\_\_\_\_  
Signature of Chief Elected Official

\_\_\_\_\_  
Date

## BUDGET AND SCOPE OF WORK

1. Current balance of your RLF Program \$ \_\_\_\_\_
2. How will you expend this balance? Indicate timeline.
3. How many LMI households are in your community? Please list the source of your data.
4. Approximately, how many rental units are located in your community?
5. Approximately, how many of those units are within the LMI rent limits?
6. Please list your scope of work and timeline for project completion.
7. Approximately, how many owner-occupied rehab projects are going to be completed within the contractual timeline?
8. Approximately, how many rental projects are going to be completed within the contractual timeline?
9. Please include details of the proposed non-housing projects. (if applicable)
10. Please include details of your owner-occupied and rental projects
  - a. Needs.
  - b. Timeline.
  - c. List restrictions and limitations (equity/rehab limits/contractors, etc.)
  - d. Administration (list agency and person picked to administer the project and their staff capacity to administer the program within the timeline).
11. PROPOSED BUDGET

A. Housing Rehabilitation (owner-occupied projects)		\$ _____
B. Rental Rehabilitation/Conversion		\$ _____
C. Homebuyer Projects		\$ _____
D. *Administration		\$ _____
E. Total Budget		\$ _____

\*Administration amount may not exceed 15% of the total amount budgeted for A, B, and C.

**GENERAL INFO**

Applicant's NAME \_\_\_\_\_

CEO NAME \_\_\_\_\_

Official Address \_\_\_\_\_

Telephone \_\_\_\_\_

Email \_\_\_\_\_

Person completing final application form:

\_\_\_\_\_

Is this multi-jurisdictional application? Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, please list participating jurisdictions:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_