



CDA STAFF REPORT

MEMO DATE: May 8, 2019
MEETING DATE: **MAY 13, 2019**

TO: Village of Cottage Grove Community Development Authority
CC: Matt Giese – Village Administrator
Lee Boushea – Village Attorney

FROM: [Erin Ruth, AICP – Village Planning Director](#)

RE: **Dane County Community Development Block Grant Consortium**

BACKGROUND

Per the US Dept. of Housing and Urban Development (HUD), the Community Development Block Grant (CDBG) program is “a flexible program that provides communities with resources to address a wide range of unique community development needs. Beginning in 1974, the CDBG program is one of the longest continuously run programs at HUD. The CDBG program provides annual grants on a formula basis to 1,209 general units of government and states.”

According to HUD, the CDBG Entitlement Program provides “annual grants on a formula basis to entitled cities and counties to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low and moderate-income persons.”

Dane County is an entitlement community. Funds are distributed to recipients through an annual competitive application process. Recipients must be members of the Dane County CDBG Consortium. The City of Madison is itself an entitlement community and therefore it is not part of the Dane County Consortium. There are 60 other municipalities in Dane County and currently 56 are members of the consortium. The Village of Cottage Grove is among the four that are not (along with the Villages of DeForest and Maple Bluff and the City of Edgerton). Since 1999 over \$18 million in CDBG funds have been invested in Dane County consortium communities.

Consortium communities can also participate in the HOME Investment Partnership. Per the Dane County website, “HOME is the largest Federal block grant to states and local governments designed to exclusively to create affordable housing for low-income households. HOME provides formula grants to states and localities that communities use, often in partnership with local non-profit groups, to fund a wide range of activities that build, buy, and or rehabilitate affordable housing. Since 2002, over \$7 million in HOME funds have been invested in Dane County consortium communities.”



Additional information can be found at the Dane County CDBG/HOME [website](#).

OVERVIEW

Staff has invited Dane County CDBG Director Peter Ouchakof to present information about Dane County's CDBG programs and the process for joining the consortium.

Attached is a timeline for joining the consortium and a draft cooperation agreement. To join the consortium, the Village will need to pass a resolution providing authorization to enter a cooperation agreement with Dane County. Notification of intent to join the consortium must be delivered to Dane County and HUD by May 31, 2019. The Village must provide the executed cooperation agreement to Dane County by June 21, 2019.

STAFF RECOMMENDATION

Staff recommends APPROVAL of a recommendation to join the Dane County CDBG Consortium, with the following conditions:

1. Staff shall prepare a resolution for approval by the Village Board.
2. The Cooperative Agreement shall be deemed satisfactory by the Village Attorney.

Timeline and Instructions for Non-Participating Communities to Join the Urban County Consortium beginning in 2020

Timeline for Urban County Renewal	
Action Needed	Due Date
Municipality notifies Dane County and HUD of intent to join Consortium	May 31, 2019
Execution of Cooperative Agreement by municipalities	June 21, 2019
Execution of Cooperative Agreement by Dane County	July 19, 2019
Dane County submits all required documents to HUD	July 26, 2019

1. MUNICIPALITY adopts resolution authorizing ELECTED OFFICIAL to enter a "Cooperation Agreement" with Dane County. (A copy of the Cooperation Agreement is enclosed.) The Cooperation Agreement allows the MUNICIPALITY to participate in the County's CDBG/HOME program.
2. Notify Dane County and the Field Office of the U.S. Department of Housing and Urban Development (HUD) in writing by May 31, 2019 that your MUNICIPALITY elects to be included in the County CDBG/HOME program. The contact and address for the HUD field office is:

Michael E. Martin, CPD Representative
 HUD Milwaukee Field Office
 310 W. Wisconsin AVE, STE W950
 Milwaukee, WI 53203-2289
3. ELECTED OFFICIAL and Clerk sign three copies of the Cooperation Agreement. The Cooperation Agreement is a contract between your MUNICIPALITY and Dane County indicating that both parties agree to participate in the County CDBG/HOME program for at least three years.
4. Clerk returns three copies of the resolution and three copies of the signed Cooperation Agreement to Dane County by June 21, 2019. Please mail or hand-deliver these documents to: Dave Phillips, Director; Office of Economic and Workforce Development; City-County Building, Room 421; 210 Martin Luther King, Jr. Blvd; Madison, WI 53703. One copy of the agreement with the appropriate County signatures will be returned to you as soon as possible after that date.

**AMENDED COOPERATION AGREEMENT
Urban County Program**

THIS AGREEMENT entered into this ____ day of _____ 2019, by and between the County of Dane, Wisconsin (hereinafter referred to as "COUNTY" OR "Urban County") and the [city] [village] of _____ (hereinafter referred to as "MUNICIPALITY");

WITNESSETH:

WHEREAS the United States Congress enacted the Housing and Community Development Act of 1974 (P.L. 93-383) as amended (hereinafter referred to as "the HCD Act"), providing federal assistance for the support of community development activities which are directed toward the specific objectives identified in Section 101 of the Act; and

WHEREAS, the United States Congress also enacted the Cranston-Gonzalez National Affordable Housing Act (P.L. 100-625) as amended, (hereinafter referred to as "the NAH Act") providing Federal assistance for, among other things, the HOME Investment Partnership program (hereinafter referred to as "HOME") which is intended to increase the number of families served with decent, safe, sanitary, and affordable housing and expand the long-term supply of affordable housing; and

WHEREAS the HCD Act and the NAH Act make possible the allocation of funds to COUNTY for the purpose of undertaking only community development and housing program activities identified in Section 105 of the HCD Act and housing activities identified in the NAH Act; and

WHEREAS COUNTY was qualified by the United States Department of Housing as an Urban County eligible to receive Community Development Block Grant (hereinafter referred to as "CDBG") for federal fiscal years 2020, 2021 and 2022; and

WHEREAS the HCD Act recognizes that MUNICIPALITY may enter into a cooperation agreement with COUNTY in order to undertake housing and community development activities as authorized in the HCD Act and in the NAH Act; and

WHEREAS HUD, pursuant to Notice CPD-19-04, allows existing Urban Counties to include communities previously not participating in the Urban County; and

WHEREAS COUNTY and MUNICIPALITY have determined that joint action is an effective way to accomplish the purposes of the HCD Act and the NAH Act; and

WHEREAS counties in Wisconsin, pursuant to Section 59.01 of the Wisconsin Statutes, and municipalities in Wisconsin, pursuant to Section 66.0301 of the Wisconsin Statutes, have the necessary authority to enter into contracts of the type herein contemplated;

49 NOW THEREFORE, upon the consideration of the mutual promises contained
50 herein, it is agreed between COUNTY and MUNICIPALITY as follows:

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PURPOSE

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54 The purpose of this Agreement is to establish the mutual desire to cooperate to
55 undertake, or assist in undertaking, community renewal and lower income housing
56 assistance activities, specifically urban renewal and publicly assisted housing, by
57 means of implementing a Consolidated Plan and Annual Action Plan for both HUD
58 CDBG funds as an Urban County for Federal fiscal year 2020 appropriations and
59 from any program income generated from the expenditure of such funds, and HUD
60 HOME funds, if received, from appropriations in the same federal fiscal year and from
61 any program income generated from the expenditure of such funds.

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CONSIDERATION

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66 MUNICIPALITY, by the execution of this Cooperation Agreement, agrees to have its
67 population, its number of impoverished residents, its extent of housing over-crowding,
68 its age of housing and other applicable statistics, all as defined in the HCD Act and
69 the NAH Act, included in the formula allocations set forth in the HCD Act and in the
70 NAH Act for the purpose of determining the allocation of funds to COUNTY as an
71 Urban County, as defined in the HCD Act and the NAH Act, as amended. COUNTY
72 agrees to include MUNICIPALITY as part of its Annual Action Plan, to be submitted
73 to HUD under the terms and conditions of the HCD Act and the NAH Act.

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RESTRICTIONS

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78 Neither COUNTY nor MUNICIPALITY shall have a veto or other restrictive power
79 which would in any way limit the cooperation of the parties to this Agreement or any
80 other cooperating units of government in achieving the activities set forth in the
81 Consolidated Plan, the Annual Action Plan, and any other CDBG submissions or
82 HOME submissions for the program years covered by this Agreement.

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TERM

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87 The term of this Agreement shall be three (3) years commencing January 1, 2020
88 and continuing through the entire Program Year of 2022, the third year of COUNTY's
89 Urban County qualification period, and for such additional time as may be established
90 under the automatic renewal terms of this section or as may be required for the
91 expenditure of funds granted to COUNTY for such period, as defined by HUD
92 regulations. Neither the COUNTY nor the MUNICIPALITY executing this Agreement
93 shall have the opportunity to opt out of the Urban County Program during the period
94 that this Agreement is in effect.

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96 This Agreement shall be automatically renewed for participation in future three-year
97 qualification periods, unless COUNTY or MUNICIPALITY provides written notice to

98 the other party that it elects not to participate in a new qualification period by the date
99 specified in HUD's urban county qualification notice for the next qualification period.
100 COUNTY shall provide a copy of any such notice to the HUD Field Office. By the
101 date specified in HUD's urban county qualification notice for the next qualification
102 period, COUNTY shall notify MUNICIPALITY of its right not to participate in the next
103 qualification period.
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105 Both COUNTY and MUNICIPALITY shall adopt any amendment to the Agreement
106 incorporating changes necessary to meet the requirements for cooperation
107 agreements set forth in HUD's urban county qualification notice for a future three-
108 year urban county qualification period. COUNTY shall submit such amended
109 Agreement to HUD as provided in the urban county qualification notice. Failure to
110 comply shall void the automatic renewal of such subsequent qualification period.
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112 PROVISIONS

113 COUNTY and MUNICIPALITY agree to cooperate to undertake, or assist in
114 undertaking, community renewal and lower-income housing assistance activities.
115 COUNTY and MUNICIPALITY further agree to undertake all actions necessary to
116 assure compliance with Dane County's certification required by Section 104(b) of
117 Title I of the Housing and Community Development Act of 1974, as amended,
118 including Title VI of the Civil Rights Act of 1964, Title VIII of the Civil Rights Act of
119 1968, the Fair Housing Act, and affirmatively further fair housing. COUNTY and
120 MUNICIPALITY further agree to comply with section 109 of Title I of the Housing and
121 Community Development Act of 1974, which incorporates Section 504 of the
122 Rehabilitation Act of 1973 and the Age Discrimination Act of 1975, the Americans
123 With Disabilities Act of 1990, provisions of the National Environment Policy Act of
124 1969, and other applicable laws.
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128 Urban County funding is prohibited for activities in or in support of any cooperating
129 unit of local government that does not affirmatively further fair housing within its own
130 jurisdiction or that impedes COUNTY's actions to comply with its fair housing
131 certification.
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133 COUNTY and MUNICIPALITY acknowledge that a unit of general local government
134 may not sell, trade, or otherwise transfer all or any portion of CDBG funds covered by
135 this agreement to another such metropolitan city, urban county, unit of general local
136 government, or Indian tribe, or insular area that directly or indirectly receives CDBG
137 funds in exchange for any other funds, credits or non-Federal considerations, but
138 must use such funds for activities eligible under title I of the Housing and Community
139 Development Act of 1974, as amended.
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141 MUNICIPALITY understands that by executing this Cooperation Agreement, it may
142 not apply for grants from appropriations under the State Small Cities or State CDBG
143 programs for fiscal years during the period in which it participates in COUNTY's
144 CDBG program, and
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146 MUNICIPALITY may participate in the HOME program only through COUNTY, and
147 even if COUNTY does not receive a HOME formula allocation, MUNICIPALITY
148 cannot form a HOME consortium with other local governments.
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150 Non-compliance by MUNICIPALITY with any of the provisions above may constitute
151 non-compliance by COUNTY which may provide cause for funding sanctions or other
152 remedial actions by HUD.
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154 Nothing contained in this Agreement shall deprive MUNICIPALITY of any power of
155 zoning, development control or other lawful authority which it presently possesses.
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157 MUNICIPALITY must inform COUNTY of any income generated by the expenditure
158 of CDBG or HOME funds received by MUNICIPALITY. Any such program income
159 must be paid to COUNTY, or, if the completion of an approved activity should require
160 the use of program income, MUNICIPALITY may retain said income upon mutual
161 agreement of COUNTY and MUNICIPALITY. Any program income MUNICIPALITY
162 is authorized to retain may only be used for eligible activities in accordance with all
163 CDBG and HOME requirements as may then apply.
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165 MUNICIPALITY must establish and maintain appropriate record-keeping and
166 reporting of any retained program income and make such available to COUNTY in
167 order that COUNTY can meet its monitoring and reporting responsibilities to HUD.
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169 Pursuant to 24 CFR 570.501(b), MUNICIPALITY is subject to the same requirements
170 applicable to subrecipients, including the requirement of a written agreement set forth
171 in 24 CFR 570.503.
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173 If the Dane County Urban County Program is, at some future date, closed out, or if
174 the status of MUNICIPALITY's participation in the Dane County Urban County
175 Program changes, any program income retained by MUNICIPALITY, or received
176 subsequent to the close-out or change in status, shall be paid to COUNTY.
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178 MUNICIPALITY attests that it has adopted and is enforcing:
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- 180 1. A policy prohibiting the use of excessive force by law enforcement agencies
181 within its jurisdiction against any individuals engaged in non-violent civil rights
182 demonstrations, and
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- 184 2. A policy of enforcing applicable State and local laws against physically barring
185 entrance to or exit from a facility or location which is the subject of such nonviolent
186 civil rights demonstrations within its jurisdiction.
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188 If MUNICIPALITY utilizes, in whole or in part, funds covered by this Agreement to
189 acquire or improve real property that is or will be within the control of MUNICIPALITY,
190 then the following standards shall apply:
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- 192 1. MUNICIPALITY will notify COUNTY of any modification or change in the use of
193 the real property from that planned at the time of the acquisition or improvement,
194 including disposition, and,

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2. MUNICIPALITY will, if acquired or improved property is sold or transferred for a use which is not an eligible CDBG or HOME activity, as applicable, reimburse COUNTY in an amount equal to the current fair market value (less any portion thereof attributable to expenditures of non-CDBG or HOME funds); and,

3. Program income generated from the disposition or transfer of property acquired or improved in whole or in part with CDBG or HOME funds prior to or subsequent to the close-out, change of status, or termination of this Agreement shall be treated under the provisions of this Agreement concerning program income.

The above Cooperation Agreement has been authorized by the governing body of Village of _____ by resolution dated _____ and is executed this day of 2019, by the President of _____ and the Clerk of Village of _____.

President Clerk

The above Cooperation Agreement has been authorized by the Dane County Board of Supervisors, by resolution, dated _____ (copy attached), and is executed this _____ by the County Executive of Dane County.

Joe Parisi
County Executive

The terms and provisions of the above Cooperation Agreement are fully authorized under State and local law and the Cooperation Agreement provides full legal authority for the County of Dane to undertake or assist in undertaking essential community development and housing assistance activities, specifically urban renewal and publicly-assisted housing.

Dated this _____ day of _____, 2019.

Susan Rauti
Assistant Corporation Counsel
State Bar # _____

This legal opinion, prepared and signed by the Dane County Corporation Counsel, includes language required by 24 CFR 570 and Notice CPD 19-04. Those notices require that “[t]he agreement must contain, or be accompanied by, a legal opinion from the county’s counsel that the terms and provisions of the agreement are fully authorized under State and local law and that the agreement provides full legal authority for the county” to undertake, or assist in undertaking, authorized CDBG and HOME activities in the participating city or village.