



STATE OF WISCONSIN

DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor
Kathy Blumenfeld, Secretary
David Pawlisch, Division Administrator

July 26, 2024

The Honorable Daryl Teske, Mayor
City of Mauston
303 Mansion Street
Mauston, WI 53948-1329

RE: City of Mauston 2024 Community Development Block Grant for Public Facilities (CDBG-PF) Project
Award and Pre-Agreement Requirements

Dear Mayor Teske:

Thank you for your recent Community Development Block Grant for Public Facilities (CDBG-PF) project proposal for lift stations and water utility infrastructure improvements. On behalf of Governor Tony Evers and Secretary Kathy Blumenfeld, I am pleased to inform you that the Wisconsin Department of Administration (DOA) will award up to \$1,000,000 to the City of Mauston (referred to as the "Grantee" hereafter) for this CDBG-PF project.

The U.S. Department of Housing and Urban Development (HUD) provides federal funding to states through the Community Development Block Grant (CDBG) program. Wisconsin uses this federal funding to provide affordable housing, suitable living environments, and expanded economic opportunities for persons with low and moderate incomes.

To ensure that your CDBG Application meets federal HUD regulations and program goals, the DOA Division of Energy, Housing and Community Resources (DEHCR) has reviewed and scored your grant application using the 2024 CDBG-PF competitive application criteria. A Scoring Summary sheet for the Grant Application submitted by the Grantee is included on page 10 of this letter.

Information regarding CDBG requirements and the documentation that must be submitted to the Division prior to the Grant Agreement being executed and prior to construction starting are provided on pages 4-9 of this letter. The Grantee has **forty-five (45) days** from the date of this letter to submit the items listed under "Pre-Agreement Documents Submission" on pages 6-8, including signing and returning the Acceptance of Award on page 3.

After the Division receives these items, the Grantee will be contacted by the CDBG project representative assigned to your project to further discuss the terms and conditions of the CDBG-PF award to help ensure the successful administration of this project under HUD guidelines. Certain compliance requirements must be met, and the grant agreement must be executed **prior to** starting any construction for the project.

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Again, congratulations and thank you for your efforts in helping our communities prosper and maintain a high quality of life for all Wisconsin residents.

Sincerely,

DocuSigned by:

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David Pawlisch, Administrator
Division of Energy, Housing and Community Resources

Attachments: 7

cc: Senator Howard Marklein, Senate District 17, State of Wisconsin
Representative Tony Kurtz, Assembly District 50, State of Wisconsin
Darren Haugh, City Administrator, City of Mauston
Nicole Lyddy, Deputy Clerk, City of Mauston
Jennifer Trader, MSA Professional Services, Inc.
Angela Davis, Section Chief, Bureau of Community Development, DEHCR
Kristine Haskin, Director, Program Services Bureau, DEHCR
Sandy Hilgendorf, Budget & Policy Analyst, DEHCR
Ben Lehner, Grants Specialist – Advanced, Bureau of Community Development, DEHCR

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ACCEPTANCE OF THE AWARD

This award letter represents the Department of Administration – Division of Energy, Housing and Community Resources’ participation in the project. It can be accepted by signing below and returning this to the Division via email to the assigned CDBG project representative listed at the end of this letter.

AUTHORITY TO SIGN DOCUMENT: The individuals signing this Acceptance on behalf of the Grantee certify and attest that the Grantee’s respective Resolutions, and/or other related documents, give full and complete authority to bind the Grantee on whose behalf they are executing this document. The individuals signing below also acknowledge that the specific provisions of this award letter are not binding upon DEHCR nor the Grantee and that DEHCR may withdraw this award at any point for any reason.

ACKNOWLEDGEMENT

Grantee:

Signature of Chief Elected Official

Date Signed

Printed Name of Chief Elected Official

Title of Chief Elected Official

Signature of Clerk

Date Signed

Printed Name of Clerk

Title of Clerk

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CDBG REQUIREMENTS AND PRE-AGREEMENT DOCUMENTS SUBMISSION

Specific procedures must be followed prior to undertaking CDBG activities. The Grantee must comply with applicable federal and state regulations and other grant requirements. Failure to comply with the regulations governing the CDBG program may result in this award being rescinded.

The grant award of up to \$1,000,000 represents approximately 48.78% of the proposed project costs. Total costs for this project are estimated to be \$2,050,000. The Grantee must contribute Match Funds in an amount that meets the match ratio of no less than \$1 Grantee Match funds for every \$2 CDBG funds expended for the project.

PROJECT ADMINISTRATOR TRAINING

All CDBG project administrators are required to attend implementation training sessions, as scheduled by the Division. The 2024 CDBG Implementation Training is scheduled for **Thursday, September 19, 2024**. It will be held via live webinar. Information and updates will be emailed to current Grantees and posted on the Bureau of Community Development – Training and Technical Assistance website [<https://energyandhousing.wi.gov/Pages/AgencyResources/CDBG-Training-and-Technical-Assistance.aspx>].

PROCUREMENT PROCESS

Regulations require each CDBG Grantee to follow its local procurement policy. The Grantee must use procurement procedures that comply with federal, state, and local regulations for purchases and contracts funded in whole or in part with CDBG dollars. The Grantee's procurement policy must be submitted to and reviewed by the Division prior to the Grantee receiving any funding. **The Division cannot release CDBG funds for contracted materials and services that have been improperly procured.**

Refer to *Chapter 3: Procurement & Contracting* and *Chapter 7: Labor Standards* in the *CDBG Implementation Handbook* [<https://energyandhousing.wi.gov/Pages/AgencyResources/CDBG-Implementation-Handbook.aspx>], for procurement and contracting guidance. The Grantee must adhere to competitive sealed bid requirements for public works construction contracts of more than \$25,000 per Wisconsin Statutes and CDBG program requirements. Guidance regarding competitive proposal and simplified acquisition procurement methods is provided in *Chapter 3* of the *CDBG Implementation Handbook*. Records verifying that the appropriate procurement procedures were followed must be maintained in the Grantee's CDBG project files.

The Build America, Buy America (BABA) requirements also apply to the project. The BABA Act, enacted as part of the Infrastructure Investment and Jobs Act on November 15, 2021, established a domestic content procurement preference for all Federal financial assistance obligated for infrastructure projects after May 14, 2022. The domestic content procurement preference requires that all iron, steel, manufactured products, and construction materials used in covered infrastructure projects are produced in the United States. An overview and resources regarding the BABA Act are in *Chapter 3* and *Attachment 3-J: BABA Requirements (Contract*

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Insertion) of the *CDBG Implementation Handbook* and on the HUD BABA website [https://www.hud.gov/program_offices/general_counsel/baba].

ENVIRONMENTAL REQUIREMENTS

An Environmental Review Record and the affiliated actions must be completed for the project and an Environmental Certification letter must be issued by the Division's Environmental Compliance Officer prior to construction activities beginning, real property being acquired, and/or other purchases being made (for items other than those for which the costs are deemed exempt from this requirement, such as grant administration and engineering professional services). Starting construction activities prior to meeting environmental compliance certification requirements may disqualify the project from CDBG funding eligibility. The environmental specifications for CDBG projects are provided in *Chapter 4: Environmental Review* in the *CDBG Implementation Handbook*. Changes to the project scope work may require additional environmental review activities. For assistance regarding environmental compliance, please contact the Environmental Desk at DOAEnvironmentalDesk@wisconsin.gov.

ACQUISITION & RELOCATION

CDBG projects involving acquisition (of property and temporary and permanent easements) and/or relocation activities are subject to the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (i.e., URA) [[49 CFR 24](#) and [24 CFR 42](#)] and State of Wisconsin regulations [Ch. 32, Wisconsin Statutes, and Ch. Admin. 92]. Grantees must inform the Division upon determining acquisition and/or relocation is required for the project, and follow the requirements and guidance provided in *Chapter 5: Acquisition & Relocation* in the *CDBG Implementation Handbook* and on the Department of Administration's Relocation Assistance website [<https://doa.wi.gov/Pages/AboutDOA/RelocationAssistance.aspx>]. The Grant Agreement must be fully executed and the Environmental Review requirements must be met prior to the acquisition of property.

FEDERAL LABOR STANDARDS

Federal labor standards (also known as Davis-Bacon and Related Acts [DBRA] or "Davis-Bacon") will most likely apply to a Grantee's project when construction activities are included in the scope of work. The Grantee should contact the assigned DEHCR project representative for a determination on the applicability of federal labor standards to the CDBG project as necessary. If federal labor standards apply, then the Grantee is responsible for ensuring the required labor standards language/insertions specified in *Chapter 3: Procurement and Contracting* and *Chapter 7: Labor Standards* of the *CDBG Implementation Handbook* are included in all construction prime contracts and subcontracts; all construction prime contractors and subcontractors are to pay their employees working on the CDBG project at least the federal wage rates (with some exceptions for some types of job classifications); all construction prime contractors and subcontractors are subject to submitting weekly payroll records and supporting documentation for fringe benefits and deductions (with some exceptions for some types of job classifications); and the UGLG's Labor Standards Officer is responsible for weekly payroll reviews to confirm compliance and address any noncompliance issues, as applicable. Refer to *Chapter 7: Labor Standards* in the *CDBG Implementation Handbook* for guidance and requirements.

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SEMI-ANNUAL & ANNUAL REPORTING

Semi-annual and annual reporting for the CDBG project is required. The Grantee must submit the reports in accordance with *Chapter 9: Reporting* in the *CDBG Implementation Handbook* and the CDBG Grant Agreement. Grantees that accept a CDBG award must submit a Single Audit Statement for calendar year 2024 no later than January 15, 2025 and the first semi-annual reporting that will be due will be for the period ending March 31, 2025 (due dates are specified in the *CDBG Implementation Handbook*) regardless of whether the CDBG Grant Agreement has or has not been fully executed. The Grantee shall report all activities from the Award Date (i.e., the date of this letter) through the end of the semi-annual reporting period ending March 31, 2025.

PROJECT SITE CHANGE IN USE & INCOME RESTRICTIONS

When using CDBG funding to assist a project, standards of use of real property associated with the CDBG project site specified in [24 CFR 570.489\(e\)](#) and [\(j\)](#) and [24 CFR 570.505](#) apply. These standards apply from the date CDBG funds are first spent for acquiring the property or for making improvements to the property until five (5) years after closeout of the Grantee's project with DEHCR. There are restrictions and specifications regarding the use of the property and any income generated from the property (if applicable). The Grantee must not change the use of the property within five (5) years of completing the CDBG project unless the circumstances comply with the federal regulations and are pre-approved by DEHCR. Refer to federal regulations [24 CFR 570.489\(e\)](#) and [\(j\)](#) and [24 CFR 570.505](#) for additional information and contact DEHCR with any questions pertaining to these restrictions.

PRE-AGREEMENT DOCUMENTS SUBMISSION

All information provided in the CDBG Application is subject to further verification and review by the Division upon request. The Grant Agreement will be prepared and routed for signatures after the Division receives and approves the following pre-agreement documentation:

1. A signed Acceptance of Award (Acceptance form provided as page 3 of this letter).
2. A copy of the Grantee's procurement/purchasing related policy or policies (if multiple are applicable) with the local government's procedures and requirements for purchasing and contracting for goods and services. *[Note: The Grantee's procurement requirements and guidelines may be within a document with a different name, such as a purchasing policy or ordinance, or other financial management policy.]*
3. A list of professional services contracts executed (to date) between the Grantee and any third-party firms for the CDBG project, *if* any contracts have been executed yet, including all those covered with match funding and those intended to be covered with CDBG funding.
4. A completed Financial Management Contact Person form (attached with this letter).

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5. A completed Signature Certification form (attached with this letter).
6. A completed W-9 Form [Taxpayer Identification Number (TIN) Certification] (attached with this letter).
7. A completed DOA-6456 Authorization for Electronic Deposit form (attached with this letter).
8. Bank account verification documentation for the DOA-6456 Authorization for Electronic Deposit, as specified at the bottom of the form (including a letter from the bank on letterhead *or* a voided check for the account). The bank verification letter must include the account holder name (which must be the Grantee), account number, and bank routing number, and be signed by an authorized representative of the bank. If submitting a voided check, it must be a check with the account holder name, account number, and bank routing number pre-printed on the check (a 'starter' check will *not* be accepted). If the Grantee would like to receive a paper check instead of having CDBG funds deposited electronically, contact your assigned DEHCR Program Representative to obtain the appropriate form.
9. A completed DOA-6460 New Supplier form (attached with this letter).
10. An email from the municipal clerk or treasurer verifying that the bank account that will be used for the 2024 CDBG-PF project is non-interest bearing as required; and stating whether it is a separate account to be used *exclusively* for the CDBG project funding deposits and disbursements (with no other State funds or other funds to be deposited into this account), *or* it is not a separate account and will not be used exclusively for the CDBG project deposits and disbursements, but it has a separate account register to track CDBG funding transactions separately from other funds in the account as required.
11. A copy of the Grantee's record on the federal System for Award Management (SAM) [<https://sam.gov/content/home>] which verifies the Grantee has an **"active" registration status and assigned Unique Entity Identification (UEI) number**. If the Grantee does not currently have an "active" registration or the Grantee's SAM registration has expired or will expire prior to the execution of the Grant Agreement, then the Grantee must either register or re-activate the registration on SAM (as applicable) and provide a copy of the record showing the updated status to the Division.

Alerts Regarding SAM.gov Registration:

- If the Grantee is not registered or has an inactive/expired registration in SAM, then the Division strongly advises the Grantee to complete the registration process or re-activation process (if applicable) ***immediately*** to avoid delays in executing the CDBG Grant Agreement. Some grantees have experienced significant delays in registration and re-activation in the past.
- Records generated from websites other than the *official* SAM website [<https://sam.gov/content/home>] or emails from entities other than SAM.gov and the Federal Service Desk (which manages SAM.gov) at [<https://sam.gov/content/help> or https://www.fsd.gov/gsafsd_sp] will ***not*** be accepted. Third-party entities have websites that display SAM information but are not the *official* SAM website.

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- Third-party entities may offer services for a fee to municipalities to assist with registering on SAM. However, there is no fee or charge on SAM.gov [<https://sam.gov/content/home>] for registration. Municipalities and other entities may self-register on SAM without third-party assistance and registration on the system is **FREE**. Refer to the “HELP” section on SAM for guidance resources.
12. An updated project budget, reflecting the CDBG award and any changes to funding or projected costs, if applicable, using the budget form attached with this letter. If there are no changes to the budget information that was submitted on the budget form with the CDBG Application, then indicate in the email submission of pre-agreement documents that there are no changes to the project budget.
 13. An itemized, concise, bullet-pointed list of all construction activities and project deliverables to be included in the Scope of Work in the CDBG Grant Agreement, based on the description of the project in the Grantee’s CDBG Application.
 14. An updated project timeline with the projected construction bidding date(s) and construction start and end dates. Construction must begin no later than **July 1, 2025** and end no later than **October 31, 2026**. Grantees must contact their assigned CDBG project representative to request any exceptions.
 15. A completed Service Area Demographic Profile Form (attached with this letter). The total number of beneficiaries must equal the number of beneficiaries listed in the CDBG Application (Part 4) without any duplication of persons *unless* advised by your assigned CDBG project representative that corrections to the beneficiary numbers reported in the CDBG Application are necessary. Estimate the demographic numbers for the service area beneficiaries using the U.S. Census 2022 American Community Survey (ACS) 5-Year Estimates (2018-2022) data for the local government or income survey data, if an income survey was used to qualify the project. Use the search option on the U.S. Census ACS 5-Year Estimates “Quick Facts” website [<https://www.census.gov/quickfacts/WI>] to access the data for the local government where the beneficiaries reside. The race/ethnicity data for the project beneficiaries may be generated by multiplying the percentages for race/ethnicity categories from the ACS data for the local government to the total beneficiaries number; or multiplying the percentages for race/ethnicity categories for the income survey respondents to the total beneficiaries number (only required for income surveys with less than 100% response rate).
 16. Additional items as applicable. Refer to the Scoring Summary sheet included at the end of this letter and contact your assigned CDBG project representative to determine if any items from the CDBG Application require follow-up or additional submissions prior to executing the Grant Agreement.

The Grant Agreement number that will be assigned to your project and is to be entered when completing the forms attached to this letter is PF 24-13.

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Please respond with the documentation listed in the “Pre-Agreement Documents Submission” section within **forty-five (45) days** from the date of this letter. Requested information should be submitted to the Division via email to your assigned CDBG project representative listed at the end of this letter.

PRE-CONSTRUCTION DOCUMENTS:

The following documents are required **prior to the start** of any construction and the Division’s disbursement of CDBG funds for the CDBG project:

- A fully executed CDBG Grant Agreement between the Division and the Grantee (signed by all parties).
- A completed Environmental Report (including an Environmental Assessment, if required) **and** issuance of the Environmental Certification letter from the Division’s Environmental Compliance Officer.
- Submission of required documents, as listed in the Grant Agreement (once issued), for verifying compliance with applicable federal labor standards for construction projects. Refer to *Chapter 7: Labor Standards* of the *CDBG Implementation Handbook* for additional guidance.
- Copy of the executed contract between the Grantee and the grant administration services provider (regardless of funding source) *if* the Grantee has contracted with another party for grant administration services.
- Copies of the competitive procurement solicitation documents (in compliance with federal and state CDBG requirements, e.g., the Request for Proposals [RFP] and the advertisement for the RFP) for grant administration services *if* the Grantee has contracted with another party for grant administration services that will be funded in whole or in part with CDBG funds; *OR* copies of other documentation verifying the Grantee followed your local procurement policy in selecting and contracting with the grant administration services provider *if* the Grantee is *not* using CDBG funds to cover the costs.

Please contact your assigned CDBG project representative listed below if you have any questions or concerns. We congratulate the Grantee on this 2024 grant award, and we look forward to working with you to ensure successful completion of your CDBG Public Facilities project.

Assigned CDBG Project Representative:
Sally Smarzinski, Grants Specialist – Advanced
Sally.Smarzinski@Wisconsin.gov

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2024 Community Development Block Grant for Public Facilities (CDBG-PF) Project Application Scoring Summary

Applicant / Unit of General Local Government (UGLG):	City of Mauston
Wisconsin County:	Juneau County
Project Title:	Lift Stations and Water Utility Infrastructure Improvements Project
Project Start Date:	Construction must start no later than July 1, 2025
Project End Date:	Construction must be completed no later than October 31, 2026; Project Completion Report and Final CDBG Payment Request must be submitted to DEHCR no later than December 31, 2026
National Objective:	Meets LMI National Objective based on HUD LMISD for Local Governments.
Total # of Beneficiaries	3,940
Total # of LMI Beneficiaries	2,200
LMI %	55.84%
Estimated Total Project Cost:	\$2,050,000.00
CDBG Funding Amount Requested:	\$1,000,000.00
CDBG Funding Amount Awarded:	\$1,000,000.00

	Score:	Comments:
Project Need (0 – 100 points possible):	58	
Community Distress (70 points possible):		Total Community Distress Score: <u>47</u>
Median Household Income (MHI) (0 – 40 points):	18	MHI: \$57,083
Per Capita Property Value (0 – 15 points):	14	Per Capita Property Value: \$66,062
Local Property Tax Rate (0 – 15 points):	15	Tax Rate: 0.02361
Financial Need (30 points possible):		
Score Based on General Obligation (G.O.) Debt:	N/A	G.O. Debt Individual Score: 5
<i>[Projects with <u>No</u> Sewer or Water work Only]</i>		Sewer/Water Individual Score: 12
Score Based on G.O. Debt & Sewer/Water Rates:	9	Combined Average Score Earned: <u>9</u>
<i>[Projects <u>with</u> Sewer and/or Water work Only]</i>		
Planning (10 points possible):	10	
Project Readiness (40 points possible):		Total Project Readiness Score: <u>40</u>
Environmental Review Documentation:	10	
Architectural/Engineering Biddable Plans & Specifications Documentation:	30	
Other Application Documentation Review Comments:		Meets Citizen Participation requirements. Citizen Participation Plan (CPP) revision required during grant period if awarded funds. Fair Housing Ordinance Accepted. Match Documentation Accepted.
TOTAL (250 points possible):	164	<i>Sufficient score for award.</i>
Grant Award Recommendation:	Award	