**AUTHORIZING BUY OUT OF COMMUNITY DEVELOPMENT BLOCK GRANT REVOLVING LOAN FUND FUNDS AND DETERMINING OVERSIGHT FOR CLOSE PROGRAM PROCESS**

***Background:*** *Community Development Block Grant - CLOSE (CDBG-CLOSE) is designed to provide the necessary regulatory and financial flexibility for communities to address local needs while simultaneously addressing the U.S. Department of Housing and Urban Development’s (HUD) concerns regarding Revolving Loan Funds.  The State of Wisconsin has determined that the best course of action is to liquidate the remaining funding and ultimately close all Revolving Loan Funds (RLF).  Under the CLOSE program, the County may choose 1) to buyout its current Revolving Loan Fund Balance of $975,170 as of December 31, 2018 or continue to administer the loans while forwarding the payments received to the State of Wisconsin (“****BALANCE****”). If Sauk County buys out the Balance, accounts receivable will be held for non-competitive grants.  Communities that buy out all outstanding loans may apply for up to three (3) projects totaling the amount of their Revolving Loan Fund Closeout Account. The dollars retain their federal identity. The County has two years from the time these funds are forwarded to the State to develop and complete up to three projects meeting national objectives. The State must approve these projects, and the projects are subject to federal requirements. The full $975,170 will be returned to the County for these projects with no County matching funds required. Sauk County continues to collect principal and interest on outstanding loans to their completion in 2037. Assuming fully repaid, principal is $934,483 and interest is $371,786, a total of $1,306,269. These dollars are consider de-federalized and may be used for any purpose the County wishes.*

 *2) If Sauk County chooses not to buyout the Balance, the County forwards to the State cash on hand from repayment of previous and existing loans ($40,684 as of December 31, 2018). These funds become the State’s and Sauk County has no further claim to them. Sauk County continues collect principal and interest on outstanding loans to their completion in 2037. Assuming fully repaid, principal is $934,483 and interest is $371,786. These funds are forwarded to the State monthly, become the State’s, and Sauk County has no further claim to them.*

 *After review of the two options, E&L has determined that it is in Sauk County best interest to pursue Option 1 and buyout the Balance.*

**Fiscal Impact: [ ] None [ X ] Budgeted Expenditure [ ] Not Budgeted**

**NOW, THEREFORE, BE IT RESOLVED**, by the Sauk County Board of Supervisors, met in regular session, hereby approves the buy-out of community development block grant revolving loan fund Balance in the current amount as determined by the Sauk County Accounting Department, with the most recent Balance of $975,170; and

**BE IT FURTHER RESOLVED,** that the Executive and Legislative Committee is hereby delegated the authority to approve the process for use of the federalized and de-federalized funds.

For consideration by the Sauk County Board of Supervisors on February 19, 2019.

Respectfully submitted,

**EXECUTIVE AND LEGISLATIVE COMMITTEE**

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

PETER VEDRO, Chair WILLIAM HAMBRECHT, Vice Chair

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

WALLY CZUPRYNKO WILLIAM F. WENZEL

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

THOMAS KRIEGL

**Fiscal Note:** $975,190 has been budgeted for this expense.

MI**S Note:** None.