

**MEMORANDUM OF UNDERSTANDING  
CDBG-CLOSE PROGRAM**

**Whereas**, the Wisconsin Department of Administration (DOA), Division of Energy, Housing and Community Resources (DEHCR) has initiated a substantial amendment to the State of Wisconsin's Community Development Block Grant (CDBG) contract with the federal Housing and Urban Development (HUD) Department that operates the CDBG program; and

**Whereas**, as a result of this amendment, the DEHCR has developed the CDBG-CLOSE program as a mechanism for eliminating the CDBG-Economic Development/Revolving Loan Fund program. Local municipalities and counties that have CDBG Economic Development/Revolving Loan Funds and have accepted CDBG-Economic Development grant funds after 1992, must either return the full cash value of all CDBG-Economic Development/Revolving Loan Fund bank accounts and loan receivables to the DEHCR, or turn over all CDBG-Economic Development/Revolving Loan Fund cash accounts and assign all remaining loans to the DEHCR; and

**Whereas**, Waupaca County has received CDBG-Economic Development grant funds since 1992 and desires to return the full cash value of all CDBG-Economic Development/Revolving Loan Fund bank accounts and loan receivables to the DEHCR in order to be eligible for the DEHCR to grant back an equal amount of funds to Waupaca County for CDBG eligible projects, on or after February 1, 2019 but no later than February 1, 2021; and

**Whereas**, it is in the best interest of the taxpayers of Waupaca County and the City of New London to develop a cooperative plan that allows Waupaca County to pay the DECHR the full amount of cash and receivables in its RLF account as of February 1, 2019 but no later than February 1, 2021, in order to receive an identical amount of funding from DEHCR in the form of CDBG grant funds.

**Now Therefore**, Waupaca County and the City of New London agree to the following terms and conditions:

**1.0 PARTIES**

**1.01** Waupaca County (hereinafter referred to as County) and the City of New London (hereinafter referred to as City) do hereby enter into an agreement with the following terms and conditions:

**2.0 RLF FUNDS and CDBG ELIGIBLE PROJECTS**

**2.01** The City agrees to provide the County with \$200,000 in cash from the City's RLF account, which the County will use to repay a portion of the County's RLF receivables to the DEHCR. The total cash funds will be made available to the County as of the date this MOU is signed, but not later than February 1, 2021.

**2.02** The County agrees to provide the City with an equivalent amount of funding (that is, \$200,000 in total) in the form of grants for CDBG eligible projects in the City. The grant funds will be made available and utilized to fund CDBG eligible projects in the City within two (2) years from the date the County signs the CDBG-CLOSE contract with the DEHCR.

### **3.0 AMENDMENTS**

**3.01** Either party may seek to amend this MOU by agreement of the other party. Any amendment shall be in writing and will not be in effect until signed by both parties.

### **4.0 DISPUTE RESOLUTION**

**4.01** If a dispute related to this memorandum arises, each party agrees to communicate with the other party in good faith and through direct discussions and negotiations.

**4.02** If the dispute cannot be resolved by the parties, and if all parties agree, it may be submitted to mediation. If the parties cannot agree to mediation, or if mediation is unsuccessful, any party may commence any legal action appropriate under Wisconsin Law. Venue of any legal action shall be the Circuit Court of Waupaca County or the US Federal Court, Eastern District of Wisconsin, as appropriate.

### **5.0 SEVERABILITY AND TOTALITY OF AGREEMENT**

**5.01** This document constitutes the sum and total agreement between the County and the City. Any other understandings or agreements are null and void unless in writing and incorporated by reference into this document.

**5.02** Should any section, clause or provision of this Agreement be found to be unenforceable, all other sections, clauses or provisions shall remain in full force and effect.

**5.03** This memorandum of understanding becomes effective February 1, 2019, only if the parties sign the same within ten (10) days of each other.

By signing below, each party states his/her understanding of an agreement with the terms and conditions as set forth in this Memorandum of Understanding.

Dated this \_\_\_\_\_ day of February, 2019

Dated this \_\_\_\_\_ day of February, 2019

\_\_\_\_\_  
Waupaca County  
*Title: Chair*

\_\_\_\_\_  
City of New London  
*Title: Mayor*