

SECTION F: ECONOMIC DEVELOPMENT

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ECONOMIC DEVELOPMENT

INTRODUCTION

This section presents the special requirements that apply to Economic Development (ED) projects as a part of the Louisiana Community Development Block Grant (LCDBG) program. ED projects are varied and unique. A project may consist of a loan to a business to procure such items as land, commercial- industrial facilities, and commercial- industrial equipment. ED projects can also be grants to local governments to purchase land, buildings, or for public infrastructure improvements to assist a business.

ED projects are subject to the same federal provisions as public facility projects. However, due to different types of activities and participants, certain provisions become more important or apply differently.

This section refers to other sections in the Handbook that apply to most ED projects and lists additional requirements. It also discusses areas that are particular to ED projects.

PROGRAM ADMINISTRATION

The text discusses the requirements of each task, references required forms, and cites examples of work contained in the supporting materials.

Items previously discussed in [Section A: Program Administration](#) of this Handbook are also applicable to administering an ED program. Following preliminary approval of a project, some application revisions may be requested such as a new performance schedule or a revised cost summary form. The same documents which must be submitted to this office in order to obtain a release of funds for other CDBG programs (Environmental Review Record, Anti-Displacement Resolution, Authorized Signature Form, etc.) must also be submitted for ED programs. In addition, other documents which pertain only to ED programs will be required to obtain a release of funds. These documents and other requirements for the ED program are discussed in this section.

CONTRACTS

After the local government receives an authorization to incur cost for planning and administration, the State will send the local government a contract (State contract) which details the responsibilities of the assisted business and the local government. The local government will develop a Written Agreement between it and the assisted business incorporating the provisions of the State contract. The Written Agreement will either be in the form of a Two-Party Agreement for infrastructure grant projects or a Three-Party Agreement for projects that provide direct financial assistance in the form of a loan. [Exhibit F-1](#) contains a sample Written Agreement. The shaded portions of the sample written agreement are pertinent to a loan and must be used only for the Three-Party Agreement. The local government can develop a Two-Party Agreement from the sample by removing the shaded portions. This is only a sample since each project is unique and the local government has some latitude in negotiating the best possible arrangements with the assisted business. There are basically three requirements for either form of the written agreement. The written agreement must set forth, at a minimum, the following:

[24 CFR 570.506 \(b\)\(5\)](#)

1. All basic activities and responsibilities as established in contract attachments A, B, C, and D of the Grant Agreement (contract between the State and the local government). ([Exhibit F-1](#))

2. Specification of all related federal and state provisions and regulations as included in contract attachment F of the Grant Agreement.
3. A statement to the effect that the agreement is contingent upon a release of funds, thereby avoiding any environmental concerns.

In addition to the written agreement, other evidentiary materials must be submitted to this office. Contract attachments C and D of the Grant Agreement ([Exhibit F-1](#)) outline all required evidentiary materials that must be sent to this office. Local governments are allowed six months from the date of the Authorization to Incur Cost to submit all evidentiary materials.

Some items of evidentiary materials that are commonly submitted include but are not limited to the following:

- ✓ Written Agreement – This is a legally binding agreement between the assisted business and the local government, (and the State for a Three-Party Agreement) which specifies all parties' responsibilities in implementing the ED project, including the documentation requirements for meeting a national objective. As indicated earlier, this document should contain all provisions outlined in the State Contract. This document should contain provisions which protect the local government and the State as well.
- ✓ Mortgage Agreements – (Loan projects only) Security is required for all CDBG loans and fully executed mortgage agreements must be submitted to this office. The LCDBG ED staff can provide samples of these documents.
- ✓ Evidence of Assisted Business's Private Investment – Fully executed loan agreements with bank, public entities, etc., which indicates the dollar amount and terms of the loans must be submitted. Depending on the source of the Assisted Business's financial commitment, documentation of the evidence will vary. [Exhibit F-2](#) provides a Sample Evidence of Assisted Business's Commitment.
- ✓ A resolution establishing authority of persons to enter into the Written Agreement and other legal documents on behalf of the corporation. See [Exhibit F-3](#) for a Sample Resolution of the Board of Directors.
- ✓ Certification of Legally Binding Agreements ([Exhibit F-4](#)) – The local government's legal counsel certifies the genuineness of the above referenced documents and the authority of all parties to sign the documents. Further, it states that the documents constitute a valid and legally enforceable contract under the laws of the State of Louisiana and is in conformity with the LCDBG Grant Agreement/Contract. It is important for the local government's attorney to be actively involved in this process due to potential liability faced by the local government.

As indicated earlier, the above represents some of the evidentiary materials required to be submitted to the State prior to release of funds. However, other documents specified in [Section A: Program Administration](#) of this Handbook must also be submitted in order to receive a release of funds.

ENVIRONMENTAL REVIEW

ED projects must comply with all environmental review requirements discussed in [Section A: Program Administration, Completing Environmental Review Requirements](#). Environmental Review requirements apply to the area that the assisted business is improving, as well as the area where infrastructure improvements, paid for by LCDBG are to be located.

One of the common problems noted with ED projects is that a finding of "Categorical Exclusion" is made inappropriately in many cases. This is most common where it is argued that the project may be categorically excluded due to only a minimal change in use, size, capacity or location, etc., and because it is consistent with the allowed use of the site, etc. These determinations are difficult to make and require an in-depth analysis of the proposed changes. The Grantee must closely follow the regulations in making the determination. Please contact the Office of Community Development prior to making a finding of categorical exclusion for an ED project.

[24 CFR 58.35](#)

The most important fact to consider regarding ED projects and environmental review is that no project activities (other than "Exempt" activities) may be contracted or LEGALLY OBLIGATED from the time the application is submitted to the State until all project activities are environmentally cleared. No monies may be incurred with LCDBG funds except those costs relating to engineering and planning. See [Exhibit F-5](#) for a listing of common questions regarding Release of Funds. **Environmental Review Requirements apply to all activities of the project; those privately funded and LCDBG funded.**

REQUESTS FOR PAYMENT

Once the project has received the Notice of Approval of Evidentiary Materials and Release of Funds, Requests for Payment may be submitted. This process is described in [Section A: Program Administration, Financial Management](#). However, most ED projects have conditions set forth in the State contract that must occur before funds are drawn. Usually, the conditions involve expenditures of private sector funds and accumulation and presentation of invoices. Be especially careful in following the provisions of the State contract.

If all conditions of the State contract are met and a draw request is granted, a financial management system must be in place to receive and account for LCDBG funds (see [Section A: Program Administration, Financial Management](#)). If the ED project involves a loan to a business, a loan closing should be held for presentation of the check to an appropriate company representative, if needed. Prior to the loan closing, security documents such as mortgages, promissory notes, loan agreements and/or security agreements must have been signed. These documents must be prepared by the Grantee's attorney. If custom equipment is being built for the assisted business that is to be paid with LCDBG funding, some preliminary payments may be required of the Grantee. Funds for equipment should not be requested by the local government until the equipment is received and invoiced.

It is important that all ED loans be secured as soundly as possible and that the repayment schedule and all requirements set forth in the Three-Party Agreement are understood clearly by the payor and payee. A bank or attorney should be able to produce a payment schedule with principal and interest clearly delineated. The State will prepare a revised payment schedule for recipients if the actual drawdown deviates from the program schedule. Follow all LCDBG contract requirements and provisions identified in the State contract. **One very important requirement is the submittal of quarterly status reports.**

These reports are due no later than 30 days after the end of the quarter. For instructions, see the sub-section titled "Sources and Uses Report" below.

[Section D: Procurement and Contracting](#) of this handbook provides more detailed information on the subject of procurement. ED projects often involve the private sector party procuring services such as engineering or construction.

[24 CFR 200.317-326](#)

Private sector entities are not subject to the provision of 2 CFR 200.317-326 even when the activity is financed with federal funds.

IMPORTANT: All contract provisions DO apply to public sector procurements.

CITIZEN PARTICIPATION

Citizen participation requirements are outlined in [Section A: Program Administration, Civil Rights](#), which the Grantee must comply with in addition to Equal Opportunity and Fair Housing requirements. Grantees must ensure that they comply with all provisions contained in the Statement of Assurances which was submitted in the application.

INFRASTRUCTURE PROJECTS

The requirements discussed in [Section A: Program Administration](#), pertain to construction work financed in whole or in part with LCDBG funds. This section therefore applies to ED projects. The only difference is that 2 CFR 200.317-326 (procurement) does not apply to the construction contract between the private sector party and their contractor. All other provisions regarding applicability of labor and equal opportunity standards do apply. Therefore, the format and content of the contracts must be basically the same as those provided in [Section D: Procurement and Contracting](#). All labor standards requirements, such as construction site posters, employee interviews, payroll reviews, etc., are the same.

[24 CFR 200.317-326](#)

[Appendix II to Part 200, Contract Provisions for Non-Federal Entity under Federal Awards](#)

ACQUISITION

[Section C: Acquisition/Relocation/Anti-Displacement](#) presents the requirements that apply to real property acquisition in connection with LCDBG financed projects. Therefore, this section is important to many ED projects, especially those involving new infrastructure construction or site acquisition.

[Uniform Relocation Assistance and Real Property Acquisition Policy Act \(URA\)](#)

The most important consideration for ED recipients is whether the Uniform Relocation Assistance and Real Property Acquisition Policy Act (URA) applies to any part of the project.

There are two (2) similar but different instances when a project must follow the Uniform Act requirements.

- First, the Act will be triggered if a public entity (a city, parish redevelopment agency, etc.) or any other entity which has legal power to seize land and acquire private property under Louisiana law is acquiring the property with LCDBG funds, whether the activity is funded wholly or in part with block grant funds.
- Second, the Uniform Act will, in most instances, be triggered when a private company, which does not have expropriation power, acquires property with LCDBG funds or private funds, prior to or after the award of an LCDBG Award.

Prior to any purchase of real property by the local government or assisted business (excluding construction easements), contact the Office of Community Development. This will avoid costly time delays and/or disallowed costs associated with the ED program.

RELOCATION

Relocation refers to the physical movement of people, families, businesses (commercial or industrial), and farm operations as a direct result of activities in connection with any LCDBG project. The requirements for Relocation are discussed in [Section C: Relocation](#) of this Handbook. Regardless of whom or what is being relocated within the project, coordination with State staff should occur as early as possible in the application's development to deal with this complicated process.

LABOR STANDARDS

[Section B: Labor Compliance](#), provides information regarding labor provisions applicable to LCDBG projects.

The question of applicability takes on greater significance when dealing with ED projects since the private sector portion of the project can be affected financially by labor provision applicability to the entire project. 42 USC 5310 states that Davis-Bacon wage rates must be paid to laborers or mechanics employed by contractors or subcontractors in the performance of construction work financed in whole or in part with LCDBG assistance. Davis Bacon does not apply to construction contracts between the private sector party and the contractor if LCDBG funds are not being used for a construction activity.

Equipment – HUD has provided the framework to determine whether Davis-Bacon and related labor provisions apply to the installation of equipment, and if its application to equipment will trigger Davis-Bacon to other parts of the project. The Davis-Bacon Equipment Policy is provided in [Exhibit F-6](#). For guidance, the following opinions have been written by HUD in response to LCDBG inquiries:

- LCDBG funds used to purchase furniture, fixtures, maintenance equipment, televisions, telephone equipment, and registration equipment will not necessitate the application of Davis- Bacon wage rates. This applies if the equipment analysis provided by the assisted business does not show any installation costs.
- Department of Labor considers Davis-Bacon coverage of equipment to depend to a great extent on whether the installation of the equipment in question involves more than an incidental amount of construction work.
 - As an example, installation costs of \$68,338.80 are more than incidental for \$402,000 of LCDBG financed equipment. Therefore, Davis-Bacon rates are applicable to laborers and mechanics involved in installation of the equipment.
 - Installation costs of \$29,388.80 are incidental for \$402,000 of LCDBG financed equipment. Therefore, Davis-Bacon rates are not applicable to laborers and mechanics in that project who are involved in installation of the equipment.
- Where LCDBG is used to finance equipment, the following items will trigger Davis-Bacon: time clock with card racks, overhead crane system/hoist, air lines, and fire extinguisher. The reason for this is the attachment to the building.
- Application of section 110 of the Housing and Community Development Act of 1974 (Davis- Bacon Act provision) does not require the payment of prevailing wages with respect to installation where federal funds are provided exclusively for the purchase of equipment and not for its installation.

Every effort must be made to address the equipment issue during the application process. If LCDBG funds are to be used to purchase equipment, an Equipment Analysis form must be submitted to this office ([Exhibit F-7](#)). All

LCDBG financed items of equipment must be listed. A determination will be made based on the particular listing. Should the items of equipment change, or the amount of installation required increase, the determination may not be valid. Therefore, changes in these items will generally not be permitted. Should a change become necessary and be considered appropriate, the project will require a formal Program Amendment and a re-evaluation of the equipment analysis forms.

PROGRAM INCOME

Program income (repayment) is money earned that is generated by the use of LCDBG funds. Examples of program income are:

- payments of principal and interest on loans made using LCDBG funds;
- proceeds from the lease or disposition of real property acquired with LCDBG funds;
- interest earned on LCDBG funds held in a Revolving Loan Fund (RLF) account; and
- interest earned on any program income pending its disposition.

Program income in the form of loan repayments shall be continually remitted to the State until the loan has been retired. In the case of lease payments being received from a building purchased, constructed, or renovated, in whole or in part with LCDBG funds, the pro-rata percentage payment will be payable to the State based on a fair market valuation of the leasehold. This "fair market value" shall be considered at least to be the value of the LCDBG contribution amortized over 20 years at no interest. These lease payments will continue to be due to the State until the grant is repaid. Lease payments will not be due, however, if the building becomes vacant.

Any other program income earned as a result of the LCDBG program will be submitted to the State. The Office of Community Development must be contacted for instructions regarding income as soon as the local government becomes aware of the income or of the possibility that program income will be received.

PROGRAM BENEFIT/TRACKING JOB REQUIREMENTS

To be eligible for LCDBG assistance, an activity must meet one of the national objectives required in 24 CFR 570.483. Generally, for ED projects, by the creation and/or retention of jobs by the company assisted by LCDBG funds.

[24 CFR 570.483](#)

For an activity that creates jobs, the Grantee must document that at least 51 percent of the jobs, on a full-time equivalent, are either held by or were made available to low- and moderate-income persons. For jobs "held by," the written agreement will contain a listing by job title of the permanent jobs to be created, identifying which are part-time. For each such low- and moderate-income person hired, the assisted business will obtain the size and annual income of the person's family prior to the person being hired for the job. The assisted business will continue to maintain a listing by job title of the permanent jobs filled and which jobs were initially held by low- and moderate-income persons in the event of job turnover.

[24 CFR 570.483\(b\)\(4\)](#)

For jobs "made available to," the written agreement shall contain a listing by job title of the permanent jobs to be created, indicating which jobs will be available to low- and moderate-income persons, which jobs require special skills or education, and which jobs are part-time, if any. The written agreement will also include a commitment from the business to provide training for any of those jobs requiring special skills or education beyond a high

school education. Also, the assisted business will provide a description of how first consideration was given to such persons for those jobs. The description shall include what hiring process was used, which low- and moderate-income persons were interviewed for a particular job, and which low- and moderate-income persons were hired.

OCD-LGA strongly encourages Grantee’s to require assisted businesses to meet the “held by” criteria but utilize the “made available to” requirements in order to ensure the 51% minimum low- and moderate-income requirement is met.

For certain qualifying census tracts, the Grantee may substitute records showing either the person's address at the time the determination of income status was made or the address of the business providing the job. The State will make the determination of whether the project or person’s census tract(s) qualify for this substitution. The job title requirements and civil rights information [below] will continue to be obtained.

Obtaining this information is crucial to documenting project eligibility. The income information provided will determine if the Low-Moderate-Income (LMI) Job Benefit claimed in the application has been met. Even if all jobs cannot ultimately be filled, the LMI requirements stated in the LCDBG Contract must be met. The company, to avoid possible eligibility problems, must clearly understand and agree to these requirements as early in the application process as possible. These requirements should be included in the written agreement.

[Exhibit F-1, Attachment B](#) is a sample Employee Survey Form for use in collecting information for persons hired or considered for employment. Employee Survey Forms must be kept on file by the company and made available to the State or the City/Parish if requested. [Exhibit F-1, Attachment C](#), is an Employee Characteristics Record, where the individual information is compiled showing required employee characteristics such as job title and household income. Employees can be listed using a unique identifier to protect their privacy, if preferred. The Self-Certification Forms and the Employee Characteristics Record must be kept in the LCDBG files.

Just as for Public Facilities projects, it is the Grantee’s responsibility to determine specific statistical information on those persons applying for and benefiting from the project. According to 24 CFR 570.490 applicants and beneficiaries must be documented as to race, national origin, and gender, and status as a single-head of household. It is important to note that this information should be collected for all job applicants, but must not be used as the basis for determining suitability for the available jobs.

To count the number of jobs created, current payrolls of the company being assisted are required. The initial job title listing can be submitted at the pre-application meeting or any time prior to the date of the “Authorization to Incur Costs” letter. This payroll will determine the original number of positions. The company must submit a payroll with a listing by job title of the permanent jobs currently filled. If the company has no existing Louisiana employees, then it must submit a statement on company letterhead. Another payroll will be required when the jobs have been created. The number of employees on the final payroll will be compared with the original payroll to determine that the proper number of jobs were created.

NOTE: For projects that provide goods and services to predominantly low-to-moderate income households in residential areas, the State may determine that the area wide benefit national objective, like public facilities projects, may be more suitable than the job creation national objective. If the State so determines, the job documentation requirements above will not be applicable.

FINANCIAL REPORTING REQUIREMENTS

It is crucial to the monitoring process of any LCDBG ED grant that the State and Grantee receive status reports from the assisted business within the required timeframe. Quarterly reporting will be submitted on the Sources and Uses Report. See the sub-section titled “Sources and Uses Report” Below.

When the State or local government requests a year-end financial statement from the assisted business, either a complete unqualified opinion or a reviewed statement with a detailed profit and loss statement, balance sheet, statement of changes in financial position, and all required footnotes will be required.

When an annual financial report is requested, compiled financial information will not be acceptable for an annual financial report. The State contract and the written agreement will specify whether an audited year-end financial statement or a reviewed statement is required. It is necessary that the assisted business employ a Certified Public Accountant that can meet the reporting requirements.

Recipients should be aware of statements in the accountant's letter to management such as:

“A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or other form of assurance on them. Management has elected to omit substantially all of the disclosures and the statement of changes in financial position required by generally accepted accounting principles.”

Statements such as the above can be indicators of less reliable, missing, and possibly distorted information.

Preferably, the accountant's letter to management for the annual financial report should contain language similar to the following:

“We have examined the balance sheet of XXX Corp as of (date), and the related statements of income, retained earnings, and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. In our opinion, the financial statements referred to above present fairly the financial position of XXX Corp as of July 31, 2009, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.”

Not all businesses can afford the expense of an audit. In cases where a business cannot afford an audited annual financial report and the State contract and the written agreement allows for a review statement, a reviewed statement may be acceptable. In this case, the accountant's letter to management would contain language similar to the following:

“We have reviewed the accompanying balance sheet of XXX Corp as of (date), and the related statements of income, retained earnings and changes in financial position for the year then ended, in accordance with standards established by the American Institute of Certified Public Accountants. A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an examination in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion.

Accordingly, we do not express such an opinion. Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.”

A reviewed statement must include all the required footnote disclosures. The footnotes disclose such critical information as the following:

- ✓ the basis for the inventory valuation,
- ✓ depreciation methods,
- ✓ maturity and debt structure, and
- ✓ related party transactions (loans to and from stockholders, etc.)

It is incumbent upon the local government to know what kind of audit report is acceptable and to take the necessary steps to ensure that the specific kind of audit report required is produced by the business and is provided to the local government on an annual basis.

The local government should ensure that the terms of engagement between the assisted business and his accountant require more than just a compilation for the annual report.

SOURCES AND USES REPORT

Since frequent monitoring visits by the State LCDBG-ED staff is not feasible, it is necessary that the local government which has received LCDBG-ED funds report regularly on the assisted business's progress.

The LCDBG State contract and written agreement establishes the reporting periods and due date. This requirement is closely monitored. Failure to submit this report in a timely manner can result in negative consequences to the local government/business.

The reports will be required every quarter beginning with the date of the first draw from the State. The first reporting period will coincide with the next federal and State quarterly reporting period of March 31, June 30, September 30, or December 31. The report will be due 1 month after the end of the first reporting period and every 3 months thereafter. (For example, if the first payment request is paid on August 10, then the first report is due before the end of October for the period of July 1 through September 30.)

The use of this report will assist the local government in carrying out its contractual responsibilities. It will allow the State to stay informed on the assisted business's progress, and it will ensure that the money is being spent as scheduled and that the jobs needed and promised are being created as quickly as possible.

This process will create an early warning system that will allow both levels of government to assist the assisted business if unexpected problems arise, which could alter the schedule of events as approved in the application and in the contract between the local government and assisted business. **To avoid any potential liability, all communities providing assistance to for-profit entities must ensure that this contractual obligation is strictly observed.** A copy of this report can be found in [Exhibit F-1 Attachment D](#), Quarterly Status of Sources and Uses).

OCD-LGA requires the Sources and Uses report form to be submitted until the job requirement has been met. A letter of certification will be issued at that time.

LOAN DEFAULT

In order for the local government to fulfill its responsibility and not face potential monetary liability, it must make a "good faith effort" to ensure that the project is successfully developed as outlined in the application package/contract. Briefly summarized, the local government's responsibilities are as follows:

- Maintain records of total and low- and moderate-income employment.
- Monitor the financial condition of the business.
- Inform the State in a timely manner of any difficulties with the project.
- Take the proper legal remedies to recover the LCDBG investment if the business becomes insolvent or fails to comply with contract requirements.
- Pursue the appropriate legal action in the event of fraud or other illegal activities.

It is HUD's position that the local government should act as a responsible creditor, both in servicing loans and instituting the proper legal proceedings in the event of default.

In case of a default, the Office of Community Development will review the local government's performance as it pertains to the above-mentioned criteria.

Before the State relieves a local government of any potential monetary liability, the local government must demonstrate substantial progress in recovering the LCDBG funds from the assisted business.

CLOSEOUT

Many ED projects can move to closeout quickly when they involve a single, one-time draw. ED projects may not be conditionally closed out until all funds (private, public, and local) have been expended, all jobs created, low-mod employees verified, and the project has been monitored by the State. In addition, all monitoring and audit findings must be resolved and if the project involves a loan, payments must be up to date. See [Section E: Monitoring and Closeout](#) for closeout forms and instructions. Grantees may contact ED staff for additional information as necessary.

The following items must be addressed in the Program Completion Report (PCR) ([Exhibit E-6](#)):

1. The amount of total private and public investment in a project must be listed in the PCR and documented in project files. Before a grant award is made, the total financial package is reviewed and the need for LCDBG assistance determined. Therefore, a recipient must document that all financial injections in the project have been accomplished. Documentation may take the form of loan agreements, construction contracts, invoices, payrolls, audits, canceled checks, etc. A project cannot be closed until all other funds in the project are expended. If all investment has not been made, the project must remain open with quarterly reporting. Under circumstances where the private investment is very large, an amendment to the Grant Agreement may be approved to lower the amount of other funds required.
2. In ED projects, a recipient must report the number of jobs created/retained as direct beneficiaries. The subsection titled "Program Benefit/Tracking Job Requirements" discusses documenting jobs. A grant may not be closed until all jobs are created/retained and the National Objective met.

3. The PCR must include a report of any repayment. This is addressed in Program Income sub-section above.
4. The PCR must include reporting of family income level, beneficiaries by race, ethnicity, household size, and status as a single head of household. The reporting arrangement with the assisted business should be discussed during negotiations. [24 CFR 570.490\(b\)](#)
5. In the PCR section, the fair housing certification, which specifies actions taken to further fair housing, must be completed by the ED recipient. It applies to the community rather than the project.

Final closeout of a grant contract is issued only when all activities are completed. This means the results of the project are achieved, including compliance with a national objective (all low- and moderate-income job creation/retention), an audit covering all LCDBG expenditures, PCR, and Certificate of Completion are approved. In addition, when a project involves a loan, all loan payments must be up to date and an audit(s) reporting all LCDBG expenditures has been received by the Office of Community Development.

ECONOMIC DEVELOPMENT RECORDKEEPING

Refer to [Section A: Program Administration, Recordkeeping and Reporting](#) of this handbook. For further questions related to the recordkeeping in this area, please call the Office of Community Development at (225) 342-7412 and reference 24 CFR Section 570.490 or Appendix I of the Guide to National Objectives and Eligible Activities for States: Model Recordkeeping Requirements.

[24 CFR 570.490](#)
[HUD Appendix I: Model
Recordkeeping
Requirements](#)