

FY 2023 Proposed Method of Distribution

LOUISIANA COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

I. Program Goals and Objectives

The Louisiana Community Development Block Grant (LCDBG) Program, as its primary purpose, provides grants to units of general local government in non-entitlement areas for the development of viable communities by providing a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income. Consistent with Federal regulations (24 CFR 570.484), not less than seventy percent of the aggregate of fund expenditures shall be for activities that benefit low- and moderate-income persons.

Each activity funded must meet one of the following three national objectives:

- A. Principal benefit (at least 51 percent) to low/moderate income persons.
- B. Elimination or prevention of slums and blight. In order to justify that the proposed activity meets this objective, one of the following must be met:
 - 1. For activities that eliminate slum and blight on an area basis, the applicant must delineate an area which:
 - a. meets the definition of slums and blight as defined in Act 590 of the 1970 Parish Redevelopment Act, Section Q-8; and
 - b. contains a substantial number of deteriorating or dilapidated buildings or public improvements throughout the area delineated.

The applicant must describe in the application the area boundaries and the conditions of the area at the time of its designation and how the proposed activity will eliminate the conditions which qualify the area as slums/blight.
 - 2. For activities that eliminate slum and blight on a spot basis, the applicant must identify the structures designated for clearance and the applicant's legal authority to carry out the demolition and removal. The applicant must describe how the identified structures are "blighted," a "public nuisance," "unfit for human occupancy," "an unlawful structure," or "abandoned" and how this condition is detrimental to or endangers the public safety, health, or welfare.
- C. Meeting other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available to meet such needs.

II. Definitions

For the purpose of the LCDBG Program or as used in the regulations, the following terms are defined as:

Auxiliary Activity – defined as a minor activity that directly supports a major activity in one program area (public facilities and economic development).

Note: The State will make the final determination of the validity of such auxiliary activities in line with the program intent and funding levels and delete if deemed inappropriate.

Division – refers to the Division of Administration, Office of Community Development, which is the administering agency for the LCDBG Program for the State.

Extremely Low Income Persons – are defined as those families and individuals whose incomes do not exceed thirty percent of the area median income; to avoid inconsistencies with other income limits, it is defined as sixty percent of the four-person family low-income limit, adjusted for family size.

Extremely Low Income Household – is defined as a household having an income equal to or less than the Section 8 very low-income limit established by HUD.

Low/Moderate Income Persons – are defined as those families and individuals whose incomes do not exceed eighty percent of the median income of the area involved as determined by the U. S. Department of Housing and Urban Development with adjustments for areas with unusually high or low income or housing costs. The area involved has been determined by the U. S. Department of Housing and Urban Development to be the same area as determined for purposes of assistance under Section 8 of the United States Housing Act of 1937. This term encompasses moderate, low, and extremely low income persons.

Low Income Persons – are defined as those families and individuals whose income exceed thirty percent but do not exceed fifty percent of the median income of the area involved, as determined by the U. S. Department of Housing and Urban Development with adjustments for areas with unusually high or low incomes.

Low Income Household – is defined as a household having an income equal to or less than the Section 8 low-income limit established by HUD.

Moderate Income Persons – are defined as those families and individuals whose income exceed 50 percent but do not exceed eighty percent of the median income of the area involved, as determined by the U. S. Department of Housing and Urban Development with adjustments for smaller and larger families.

Moderate Income Household – is defined as a household having an income equal to or less than the Section 8 low-income limit and greater than the Section 8 very low-income limit, established by HUD.

State – refers to the State of Louisiana or the Office of Community Development within the State's Division of Administration which administers the LCDBG Program.

Unit of General Local Government – a municipal or parish government of the State of Louisiana.

III. Distribution of Funds

An allocation of \$22,800,000 in federal funds is anticipated to be received for the FY 2023 LCDBG Program. Using this amount, the following table shows how the total funds will be allocated among the various program categories. Any increase or decrease in actual allocation amounts will be applied to the public facilities category of funding.

Of the total CDBG funds allocated to the State, up to \$100,000 plus three percent will be used by the Office of Community Development to administer the program and to provide technical assistance.

The creation and retention of permanent jobs is critical to the economy of the State of Louisiana; therefore, \$2,000,000 will be allocated specifically for economic development projects. Additionally, \$120,000 will be set aside for the Sustainable Water Management Consolidation (SWMC) Planning Grant program, and \$6,000,000 for the Clearance program. Public facilities applications will be funded with the remaining LCDBG funds. Any of the funds set aside for non-public-facilities programs, which are not utilized/obligated may be transferred to the public facilities category between five and eleven months following the beginning of the State's program year with the Department of Housing and Urban Development (HUD). These non-public-facilities program funds may also be transferred to any established LCDBG program if deemed necessary.

The chart on the following page shows the anticipated FY 2023 LCDBG allocation and distribution of funds.

**TOTAL FY 2023 CDBG FUNDS ALLOCATED
TO LOUISIANA**

\$22,800,000

**Administration/Technical
Assistance**

3% + \$100,000

**Economic
Development**

\$2,000,000

**SWMC Planning
Grant Fund**

\$120,000

Clearance

\$6,000,000

**Remaining LCDBG
Funds:**

Public Facilities

IV. Redistribution of Funds

Any monies awarded that are later recaptured by or returned to the State will be reallocated in accordance with the office policy then in effect. The sources of these funds may include, but not be limited to: program income (see below), questioned costs, disallowed expenses, unallocated monies, previously awarded funds not utilized by grant recipients, et cetera.

With the following exceptions and stipulations identified in Section IV., the monies as defined above will be placed in the current program year's public facilities category. The monies will be used to fund the project with the highest score that is next in line for funding.

A. Program Income

If program income is earned by local governments as a result of the LCDBG, the Office of Community Development must be contacted for instructions regarding the income as soon as the local government becomes aware of the income or of the possibility that program income will be received.

These regulations are to become effective upon approval of the FY 2023 Consolidated Annual Action Plan by HUD and are to remain in force until they are amended or rescinded.

V. Administration and Policy Determination

In administering the program, while the Office of Community Development is cognizant of the program's intent, certain unforeseeable circumstances may arise which require the exercise of administrative discretion. The Office of Community Development reserves the right to exercise this discretion in either interpreting existing policies or establishing new policies.

VI. Public Facilities Program

A. Application Process

Public Facilities grants will be awarded to eligible applicants for eligible activities based on a competitive selection process to the extent that the funds are available. The State's Office of Community Development shall establish deadlines for submitting applications and will notify all eligible applicants through a direct mailing/emailing, social media, and on the office's website. Applicants that submit completed application packages and meet past performance threshold criteria for FY 2023 will be scored, ranked, and funded to the extent that FY 2023 monies are available.

Eligible Applicants

Each eligible applicant may only submit one application. Eligible applicants to the State LCDBG program are non-entitlement units of general local government, consisting of municipalities and parishes (42 U.S.C. 5306(d) and 42 U.S.C. 5302(a)(7)), and excludes the following entitlement areas: Alexandria, Baton Rouge, Bossier City, Terrebonne Parish Consolidated Government, Jefferson Parish (including Grand Isle, Gretna,

Harahan, Jean Lafitte, and Westwego), Kenner, Lafayette Parish Consolidated Government, Lake Charles, Monroe, New Orleans, St. Tammany Parish, (including Abita Springs, Covington, and Madisonville), Shreveport, Slidell, and Thibodaux.

B. Eligible Activities

An activity may be assisted in whole or in part with LCDBG funds if the activity is defined as eligible under Section 105 (a) of the HCDA, as amended. While there are many activities eligible for CDBG funds, the federal regulations allow States in consultation with local governments (24 CFR 91.325(b)(2)(iv)), to determine which of those activities are priorities and to allocate funds for those priorities only. The eligible activities under Section 105(a) that are identified as priorities for the LCDBG Program are (1) and (2).

C. Types of Grants

The Office of Community Development will only accept applications for single-purpose grants under the Public Facilities program. A single purpose grant provides funds for one primary need (streets only) consisting of an activity which may be supported by auxiliary activities. An example of an auxiliary activity would be drainage improvements undertaken in conjunction with street improvements. The FY 2023 applications will only be used to fund street projects, with no limit on the amount of target areas for one application. Streets that have been funded within the last 10 years (since November 21, 2012) are not eligible to be funded.

D. Funding Process

After all rating points have been assigned for full applications meeting the past performance threshold criteria described under II.F.I., a final public facilities ranking list will be produced including all public facilities applications that are being considered for the FY 2023 program year ranked from highest to lowest according to the total number of points received by each application. The OCD will award funding based on this final public facilities ranking list as follows: For the FY 2023 program year, the total allocation for Public Facilities will be used to fund eligible street applications in ranking order from the highest-scoring eligible applications until no additional funds remain.

E. Size of Grants

I. Floors and Ceilings

For all grants, a minimum of \$200,000 for construction costs is required. If, during the rating process, an application's construction cost is reduced below the \$200,000 minimum, that application will be removed from consideration.

The State has established a funding ceiling of \$800,000 for street grants. For municipalities with a population of more than 12,000 and parishes which have an unincorporated population of more than 25,000, the State has established a funding ceiling of \$1,600,000 for street grants. According to the 2011-2015 American Community Survey (ACS) Low and Moderate Income Summary Data, those municipalities with a population of more than 12,000 and parishes with unincorporated populations in excess of 25,000 include: City of Abbeville, Acadia Parish, Ascension Parish, Avoyelles Parish, City of Baker, Beauregard Parish, Bossier

Parish, Caddo Parish, Calcasieu Parish, City of Central, City of Crowley, DeSoto Parish, Evangeline Parish, City of Hammond, Iberia Parish, Jefferson Davis Parish, Lafourche Parish, Lincoln Parish, Livingston Parish, City of Minden, Morehouse Parish, City of Natchitoches, Natchitoches Parish, City of New Iberia, City of Opelousas, Ouachita Parish, City of Pineville, Rapides Parish, City of Ruston, St. Bernard Parish, St. Charles Parish, St. John the Baptist Parish, St. Landry Parish, St. Martin Parish, St. Mary Parish, City of Sulphur, Tangipahoa Parish, Vermilion Parish, Vernon Parish, Washington Parish, Webster Parish, City of West Monroe, and City of Zachary.

2. Administrative and Pre-Agreement Costs

Pre-agreement costs are not eligible under the FY 2023 Public Facilities program.

Within the ceiling amounts the State also allows applicants to request funds for administrative costs with the following limitations. Each local government will be allowed a maximum of \$50,000 in LCDBG funds for administrative costs for public facilities projects. The amount of administrative funds must be requested of the Office of Community Development with justification during the submittal of the application. The local government must submit justification that addresses at minimum the costs associated with labor, environmental review process, monitoring, request for payments, and closeouts. The costs for each task should be broken down by the hourly rate charged and estimated number of hours needed for each item. The Office of Community Development reserves the right to make adjustments to those ranges when deemed necessary. If, after a project has been funded, the scope of the project changes significantly, the State will make a determination as to the ceiling amount which will be allowed for administrative costs; this determination will be made on a case-by-case basis. In all instances, the local government may (but is not required to) retain up to five percent of the funds allowed for program administration to cover its costs of administering the LCDBG Program; such costs on the local governmental level include but are not limited to audit fees, advertising and publication fees, staff time, workshop expenses, etc. Engineering and architectural fees may also be requested within the ceiling amounts; the funds allowed by the State will not exceed those established by the Office of Community Development in accordance with the Engineering Fee Schedules and Policies located on the Office of Community Development's website. The Office of Community Development reserves the right to make adjustments to those ranges when deemed necessary. If, after a project has been funded, the scope of the project changes significantly, the State will make a determination as to the ceiling amount which will be allowed for engineering costs; this determination will be made on a case-by-case basis. An adjustment (reduction) to the amount allowed for basic engineering fees will also be made in those instances where the project plans and specifications were prepared prior to the grant award.

3. Individual Grant Amounts

Grants will be funded in amounts commensurate with the applicant's program. In determining appropriate grant amounts for each application, the State shall consider the applicant's need, proposed activities, viability of proposed solutions, and ability to carry out the proposed program.

F. Restrictions on Applying for Grants

I. Capacity and Past Performance

These considerations assist with the State's ability to promote timeliness of grantee expenditures. No grant will be made to an applicant that lacks the capacity to undertake the proposed program. In addition, applicants who have previously participated in the LCDBG Program must have performed adequately.

Performance and capacity determinations for the FY 2023 Public Facilities program will be made on November 21, 2022.

In order to be eligible to receive a public facilities grant award under the FY 2023 LCDBG Program, the following thresholds must have been met:

- a. Units of general local government will not be eligible to receive funding for a public facilities grant unless past LCDBG programs awarded by the State prior to FY 2018 have been conditionally closed out.
- b. Audit and monitoring findings made by the State or HUD have been cleared.
- c. All required reports, documents, and/or requested data have been submitted within timeframes established by the State. Also see Criteria for Disapproval of Application section below.
- d. Any funds due to HUD or the State have been repaid or a satisfactory arrangement for repayment of the debt has been made and payments are current.
- e. The unit of general local government cannot be on the list of sanctioned communities that is maintained by the Office of Community Development.

Only those public facilities applications which are submitted by applicants who meet the threshold requirements will be rated and ranked.

The closeout documents (with the exception of the clear lien certificate) for previously funded Public Facilities grants must be received by the Office of Community Development a minimum of one calendar week prior to the performance and threshold determination date of November 21, 2022, in order to be reviewed and considered for closeout by the threshold determination date of November 21, 2022. Therefore, the deadline for receipt of the closeout documents is November 14, 2022. The clear lien certificate must be submitted by the performance and threshold determination date of November 21, 2022. The State will not be responsible for conditionally closing a grant if the closeout documents are submitted timely, but are determined to need revisions that cannot be completed prior to the established deadline.

In addition to the requirement for closeout documents discussed above, grantees must be monitored by the Office of Community Development forty-five (45) days prior to the performance and threshold determination date of November 21, 2022. Therefore, the monitoring must occur on or before October 7, 2022 in order to be considered for meeting threshold requirements as of November 21, 2022. The State will not be responsible for conditionally

closing out a grant if the monitoring occurs timely, but any monitoring findings cannot be cleared prior to the performance and threshold determination date of November 21, 2022.

The State is not responsible for notifying applicants as to their performance status.

The State may announce some FY 2023 awards and issue “authorizations to incur costs” for those awards prior to receiving funds from HUD for the FY 2023 funding year. Those issuances will be contingent upon the State’s receipt of FY 2023 LCDBG funds from HUD.

VII. Method of Selecting Grantees

The State has established selection and rating systems that identify the criteria used in selecting grantees.

A. Low/Moderate Income Data

In order to determine the benefit to low/moderate income persons for a public facilities project, the applicant must utilize census data (if available) and/or conduct a local survey.

1. Census Data

If census data is available for the project area, its low/moderate income data must be utilized for public facilities projects. The U.S. Department of Housing and Urban Development (HUD) has provided the low/moderate income data based on the 2011-2015 American Community Survey on its website. That information is available on a community-wide basis as well as for census tracts and block groups. The applicant must obtain this information prior to the submittal of the application. If ten percent or less of the houses in the project area are not currently served by nor will be served by the proposed project, census data, rather than survey data, must be used to determine the benefit to low/moderate income persons

2. Local Survey

When a project area does not coincide with census tracts or block groups, an applicant must conduct a local survey or combine census data with a local survey. For instance, if a project area encompasses an entire block group, but is larger than the block group, (however does not encompass an entire census tract), the applicant would utilize the census data for the block group, and conduct a survey of the additional areas which are outside of the block group and combine the data. The survey sheet in the current public facilities application package must be used. Survey data must also be tabulated and submitted on the forms provided in the appropriate application package; survey data submitted on forms other than those provided in the appropriate application packages will not be accepted. Local surveys must identify the number and composition of high, moderate, low, and extremely low income persons.

When a local survey is used to determine the low/moderate income benefit, a random sample which is representative of the population of the entire target area must be taken. The survey methodology and procedures which must be followed

when conducting a local survey will be explained in the FY 2023 LCDBG Application Packages for public facilities that will be used for all local governments invited to submit a full application.

The following sliding scale must be used to determine low/moderate income based on family size:

NUMBER OF PERSONS IN HOUSEHOLD	PERCENTAGE OF PARISH/MSA* LOW/MODERATE INCOME LIMIT
1	70
2	80
3	90
4	100
5	108
6	116
7	124
8	132
9	140
10	148
For each person in excess of 10, add an additional eight percent.	
* MSA – Metropolitan Statistical Area	

B. Rating Systems for Public Facilities Applications

All full applications submitted for public facilities projects will be rated/ranked if they meet the FY 2023 threshold requirements and are submitted by the established deadline for the FY 2023 program.

PUBLIC FACILITIES - STREETS (Maximum of 146 Points)

After all rating points have been assigned, a final public facilities ranking list will be produced including all public facilities applications that are being considered for the FY 2023 program year ranked from highest to lowest according to the total number of points received by each application. The OCD will award funding based on this final public facilities ranking list as funds are available.

The maximum points available for all PF street projects is 146.

a) Benefit to Low/Moderate Income Persons (Maximum Possible Points - 100)

For street projects that involve target areas only, for rating purposes and reporting purposes, the beneficiaries of the project will be considered as those persons residing within the boundaries of the target area or areas.

All streets within the target area(s) that require reconstruction, rehabilitation, or paving must be addressed. The total beneficiaries for rating and reporting purposes for benefit to low/moderate income persons will be all residents whose EMS/911 addresses are identified as being on one of the streets designated for construction work.

The engineer for each project must certify as to which residents or persons will benefit for each proposed activity. The Office of Community Development will make the final determination in that matter.

The percentage of low/moderate income persons benefiting will be calculated by dividing the number of low/moderate income persons benefiting (as defined by the State) by the total persons benefiting. Only those applications in which the percentage of low/moderate income persons benefiting is at least fifty-one percent are eligible for funding.

The percentage of low/moderate persons benefitting to the 100th decimal place will be used to determine the number of points for this category.

b) Population Loss (Maximum Possible Points – 5)

This rating factor is based on the percentage of population loss for the municipality. The Office of Community Development will use the Census data that calculates the rate of loss between 2010 census and 2022 population on World Population Review. Applicants can find the list of Population loss by municipality at

<https://worldpopulationreview.com/states/cities/louisiana>.

The population loss will be converted to a score based on the following Table.

Percentage of loss	Points Received
Above (-10.0) %	5 points
(-5.0) – (-9.99)%	3 points
(-0.01)- (-4.99) %	1 point

c) Cost Effectiveness (Maximum Possible Points - 10)

The cost per person benefiting will be calculated for each project. All street applications will be split into two population groups. The split for each project category will be based on the average value of the total persons benefiting per project which will be computed by dividing the sum of the total persons benefiting (after eliminating the highest and the lowest number of beneficiaries for each category for the calculation) by the number of applications

for that category (after eliminating the two applications in each category with the highest and the lowest number of beneficiaries for the calculation). One group will consist of projects having a larger number of total persons benefiting than the average value; the second group will consist of those projects having a smaller number of total persons benefiting than the average value. (If the total number of persons benefiting from any project equals the average value, that project will be placed in the second or smaller group.) The project in each group having the best cost effectiveness (cost per person) will be given ten points and the remaining projects will be prorated. The population groups will NOT be combined for each category in the determination of rating points for cost effectiveness. They will remain separate, thus creating two separate sub-categories for cost effectiveness points assignment. This allows those projects benefiting many people and those benefiting fewer people to be rated for cost effectiveness against other projects benefiting a similar number of persons.

The following formula will be used to determine the cost effectiveness points for each applicant in each grouping:

$$CE\ Points = \frac{\text{Lowest Cost per Person Benefiting}}{\text{Applicant Cost per Person Benefiting}} \times 10$$

For rating purposes for cost effectiveness points assignment, beneficiaries for **street** projects will be those residents whose EMS/911 address is identified as being on one of the streets designated for construction work.

d) Project Severity (Maximum Possible Points – 25)

This rating will be based upon the severity of existing conditions and the extent of the effect of those existing conditions upon the health and welfare of the community. In assigning points for project severity, the following general criteria will be utilized by the Office of Community Development for the street projects.

Residential Street construction, rehabilitation, or reconstruction: existing surface conditions and deficiencies, and surface area measurements. Each street being applied for will be inspected by the Consulting Engineer and given a Present Serviceability Rating from 0.1 to 5.0. Unpaved streets will receive a Present Serviceability Rating of 2.0. See Chart from the U.S. Department of Transportation Federal Highway Administration below detailing the rating criteria for Present Serviceability Ratings. The Consulting Engineer will certify and include the Present Serviceability Rating for each street on the Street Summary Table which will be included in the application package.

Present Serviceability Rating (PSR) Criteria

4.1 – 5.0	Only new (or nearly new) superior pavements are likely to be smooth enough and distress free (sufficiently free of cracks and patches) to qualify for this category. Most pavements constructed or resurfaced during the data year would normally be rated in this category.
3.1 – 4.0	Pavements in this category, although not quite as smooth as those described above, give a first class ride and exhibit few, if any, visible signs of surface deterioration. Flexible pavements may be beginning to show evidence of rutting and fine random cracks. Rigid pavements may be beginning to show evidence of slight surface deterioration, such as minor cracks and spalling.
2.1 – 3.0	The riding qualities of pavements in this category are noticeably inferior to those of new pavements, and may be barely tolerable for high-speed traffic. Surface defects of flexible pavements may include rutting, map cracking, and extensive patching. Rigid pavements in this group may have a few joint failures, faulting and/or cracking, and some pumping.
1.1 – 2.0	Pavements in this category have deteriorated to such an Extent that they affect the speed of free-flow traffic. Flexible pavement may have large potholes and deep cracks. Distress includes raveling, cracking, rutting and occurs over 50 percent of the surface. Rigid pavement distress includes joint spalling, patching, cracking, scaling, and may include pumping and faulting.
0.1 – 1.0	Pavements in this category are in an extremely deteriorated condition. The facility is passable only at reduced speeds, and with considerable ride discomfort.

The Present Serviceability Rating will be converted to a Severity Score based on the following Table.

PSR	Severity
5	0
4	5
3	10
2	15
1	20
0.1	25

A weighted average will be determined by multiplying a particular street's severity rating by that street's surface area. The sum of the figures for all of the streets in the application will be divided by the total surface area of all the streets to determine the weighted condition rating. The weighted condition rating to the 100th decimal place will be the amount of points earned for this category. The following example illustrates how this will be accomplished.

(a)	(b)	(c)	(d)	(e)	(f)
Street	Length (feet)	Width (feet)	Area (square feet)	Severity Rating	(d) x (e)
Elm Street	1,000	18	18,000	19	342,000
Oak Street	1,200	20	24,000	21	504,000
Ash Street	800	16	12,800	14	179,200
Cedar Street	800	18	14,400	17	244,800
Pecan Street	900	20	18,000	12	216,000
TOTALS			87,200		1,486,000

Weighted condition rating = 1,486,000/87,200 = 17.04
(Area multiplied by Severity for each street total) divided by total area

e) Engineering Costs (Maximum Possible Points - 2)

Two points will be assigned to applicants that agree to pay the engineering costs associated with the implementation of the LCDBG program. Such costs include but are not limited to basic design, resident inspection, testing, staking, etc. Local funds must be pledged and allocated for such services. To confirm that the local government will pay the engineering costs associated with the LCDBG Program, a certification of such signed by the chief elected official must be included in the application as well as a copy of the resolution by the local government identifying the firm hired and the proposed amount of the contract. That resolution must state that local funds will be used to pay the engineering fees and any other engineering costs incurred by the local government.

f) Administrative Costs (Maximum Possible Points - 2)

Those applicants that agree to pay all administrative costs associated with the implementation of the LCDBG program will receive two points. Such costs will include, but will not be limited to, application preparation fees, audit fees, advertising and publication fees, local staff time, workshop expenses, administrative consultant fees, et cetera. If the applicant plans to utilize the services of an administrative consultant, local funds must be pledged and allocated for such services. While the LCDBG Program will allow a maximum of \$50,000.00 for an administrative consultant's fees, the actual cost of these services may be less than this amount and will be determined through negotiation during the procurement process. To substantiate that the local government will pay the administrative costs associated with the LCDBG Program, a certification of such signed by the chief elected official must be included in the application as well as a copy of the resolution by the local government identifying the firms hired and the proposed amount of the contracts. That resolution must state that local funds will be used to pay the administrative consultant fees and any other administrative costs incurred by the local government.

If the local government maintains full-time permanent staff for the sole or partial purpose of administering LCDBG or other federal programs, such staff must have proved its capacity to administer LCDBG or other federal programs through previous program administration. In this instance, the points will also be assigned.

The following requirement will apply to those applicants which receive the points for paying administrative costs and are successful in receiving a grant. If such grantees have an under-run in their project costs, the grantee will not be allowed to use those monies for the purpose of reimbursing the local government for any administrative costs associated with the LCDBG Program.

g) Application Completeness (Maximum possible points – 2)

For applications that are submitted in which all application forms and required documents/information are included, the applicant will receive one point. Additionally, if OCD determines that no documents require revisions in order to complete the scoring of the application, the applicant will receive one point.

C. If other funds are involved for construction and that applicant is in a position to be funded, the LCDBG staff will contact the applicant prior to a grant award and request positive proof of the current availability of the other funds; if proof cannot be provided within the timeframe allowed by the OCD (approximately ten calendar days), then the project will not be funded at that time. If additional LCDBG funds are made available and grants are awarded again in the same program year, the applicant will be reconsidered and given the opportunity to provide availability of additional funds; if the other funds are not available at that time, the applicant will no longer be considered for funding.

D. Submission Requirements

Public Facilities applications for FY 2023 funds must be submitted to the Office of Community Development on the proper forms and in accordance with the instructions provided in the Louisiana Community Development Block Grant application package for the Public Facilities program.

Only that data received by the deadlines established for the public facilities application package will be considered in the selection process unless additional data is specifically requested by the Office of Community Development. Material received after the deadline will not be considered as part of the application unless it was requested by the Office of Community Development – this policy will be strictly enforced.

I. Application Review Procedures

- a) The application must be received in office by the deadline established by the Office of Community Development.
- b) The application submission requirements must be complete. If the Office of Community Development determines during the review that the application did not contain items necessary to accurately rate the application, did not include all required forms, involved a local survey that was not conducted on a random and/or representative basis, or was poorly packaged, etc., the application may be removed from further consideration for funding at the State's discretion.

- c) The funds requested must meet the minimum construction requirement and must not exceed the ceiling amounts established by the Office of Community Development.
- d) Following the review of all applications, the Office of Community Development will notify the applicant of the actions taken with regard to its application.
- e) The Office of Community Development may make a conditional approval, in which case the grant will be approved, but the obligation and utilization of funds is restricted. The reason for the conditional approval and the actions necessary to remove the condition shall be specified. Failure to satisfy the condition may result in a termination of the grant. Conditional approval may be made:
 - 1) where local environmental reviews have not yet been completed;
 - 2) to ensure the project can be completed within estimated costs;
 - 3) to ensure that actual provision of other resources required to complete the proposed activities will be available within a reasonable period of time.
- f) Criteria for Disapproval of an Application
The Office of Community Development may disapprove an application for any of the following reasons:
 - 1) Based on a field review of the applicant's proposal or other information received, it is found that the information was incorrect; the Office of Community Development will exercise administrative discretion in this area.
 - 2) The Office of Community Development determines that the applicant's description of needs and objectives is inconsistent with facts and data generally available. The data to be considered must be published and accessible to both the applicant and State such as census data, or recent local, area wide, or state comprehensive planning data.
 - 3) Other resources necessary for the completion of the proposed activity are no longer available or will not be available within the period of time specified by the Office of Community Development.
 - 4) The activities cannot be completed within the estimated costs or resources available to the applicant.
 - 5) The proposed activity is not eligible, is not one of the State's priorities for funding, or one of the three national objectives is not being met.
 - 6) The application does not score high enough to be above the funding line.
 - 7) The applicant is on the State of Louisiana's Legislative Auditor's Non-Compliance List ten business days prior to the date of award.

The unit of general local government is on the list of sanctioned communities that is maintained by the Office of Community Development.

E. Program Amendments for the LCDBG Program

The Office of Community Development may consider amendments to funded grants in certain circumstances. Recipients shall request prior approval from the Office of Community Development for all program amendments involving new activities or alteration of existing activities that will change the scope, location, or objectives of the approved activities or beneficiaries.

1. New or altered activities are considered in accordance with the criteria for selection applicable at the time the original application was reviewed and the policy, current at that time, regarding amendments.
2. All amended activities must receive environmental clearance prior to construction. Any amendments or changes that require an amendment to the originally approved environmental review will not be approved.
3. The Office of Community Development will ascertain as to whether or not the proposed activity is an integral part of the originally approved project and is necessary to complete the project as originally approved.
4. The Office of Community Development will also review the site location of the proposed activity in relation to the approved target area. If there is a budget under-run and an expansion of the target area is requested, approval of the amendment will be based upon the following: Such expansions will have to be contiguous to the original target area. The overall project will still have to meet its intended national objective. After making any adjustments to the original application's score, the revised application must remain above the funding line. The scope and intent of expansion must be in keeping with the scope and intent of the originally funded application. The requested amendment cannot merely involve an enhancement of the originally approved project. As stated above, any amendments or changes that require an amendment to the originally approved environmental review will not be approved.

VIII. Clearance Program

A. Application Process

Clearance grants will be awarded to eligible applicants for clearance/demolition activities based on a competitive selection process to the extent that the funds are available. The State's Office of Community Development shall establish deadlines for submitting applications and will notify all eligible applicants through a direct mailing/emailing, social media, and on the office's website. Applicants that submit completed application packages and meet past performance threshold criteria for the Clearance program FY 2023 will be scored, ranked, and funded to the extent that the Clearance program FY 2023 monies are available.

Eligible Applicants

Each eligible applicant may only submit one application. Eligible applicants to the State Clearance program are non-entitlement units of general local government, consisting of municipalities and parishes (42 U.S.C. 5306(d) and 42 U.S.C. 5302(a)(7)), and excludes the following entitlement areas: Alexandria, Baton Rouge, Bossier City, Terrebonne Parish Consolidated Government, Jefferson Parish (including Grand Isle, Gretna, Harahan, Jean Lafitte, and Westwego), Kenner, Lafayette Parish Consolidated Government, Lake Charles, Monroe, New Orleans, St. Tammany Parish, (including Abita Springs, Covington, and Madisonville), Shreveport, Slidell, and Thibodaux.

In general, the applicant will be determined by the location of the potential sites of that project.

Eligible Activities

Proposed activities must be eligible under Section 105(a)(4) of the Housing and Community Development Act of 1974, as amended. Each proposed activity must address the national objective of eliminating or preventing slums and blight as listed in Section I of this document.

Types of Grants

The Office of Community Development will only accept applications for the clearance, demolition, and the removal of residential or commercial structures found to be detrimental to or endangering public safety, health, or welfare.

Funding Process

After all rating points have been assigned for full applications meeting the past performance threshold criteria described under VIII.C.2., a ranking list will be produced for Towns/Villages and Cities/Parishes including all clearance applications that are being considered for the FY 2023 program year ranked from highest to lowest according to the total number of points received by each application. The OCD will award funding based on this final ranking list as follows: For the FY 2023 program year, \$2,000,000 will be allocated to Towns/Villages and \$4,000,000 will be allocated to Cities/Parishes of the \$6,000,000 for the Clearance program.

B. Size of Grants

I. Floors and Ceilings

For all grants, a minimum of \$150,000 including administrative costs is required. If, during the rating process, an application's cost are reduced below the \$150,000 minimum, that application will not be considered.

The State has established a funding ceiling of \$250,000 for Towns and Villages and a funding ceiling of \$500,000 for Cities and Parishes for the Clearance program. The State will allow applicants to request funds for administrative costs that do not exceed the ceiling amount with the following limitations. Each local government will be allowed a maximum of \$50,000 in LCDBG funds for administrative costs for clearance projects. The amount of administrative funds must be requested of the Office of

Community Development with justification during the submittal of the application. The local government must submit justification that addresses at minimum the costs associated with labor, environmental review process, monitoring, request for payments, and closeouts. The costs should be broken down by the hourly rate charged and time needed for each item, the administrative cost reasonableness chart on the website should be utilized to show the estimated costs. <https://www.doa.la.gov/oa/oed-lga/lcdbg-programs/forms-and-information/> The Office of Community Development reserves the right to make adjustments to those ranges when deemed necessary. If, after a project has been funded, the scope of the project changes significantly, the State will make a determination as to the ceiling amount which will be allowed for administrative costs; this determination will be made on a case-by-case basis. In all instances, the local government may (but is not required to) retain up to five percent of the funds allowed for program administration to cover its costs of administering the LCDBG Program; such costs on the local governmental level include but are not limited to audit fees, advertising and publication fees, staff time, workshop expenses, etc.

Pre-agreement costs are not eligible under the FY 2023 Clearance program.

2. Individual Grant Amounts

Grants will be funded in amounts not to exceed the Local Government's maximum amount allowed. In determining appropriate grant amounts for each application, the State shall consider the applicant's need, proposed activities, viability of proposed solutions, and ability to carry out the proposed program.

C. Restrictions on Applying for Grants

I. Capacity and Past Performance

These considerations assist with the State's ability to promote timeliness of grantee expenditures. No grant will be made to an applicant that lacks the capacity to undertake the proposed program. In addition, applicants who have previously participated in the LCDBG Program must have performed adequately.

Performance and capacity determinations for the FY 2023 Clearance program will be made on April 17, 2023.

In order to be eligible to receive a public facilities grant award under the FY 2023 LCDBG Program, the following thresholds must have been met:

- a. Units of general local government will not be eligible to receive funding for multiple clearance grants. The previous clearance grant must be conditionally closed prior to the application deadline.
- b. Audit and monitoring findings made by the State or HUD have been cleared.

- c. All required reports, documents, and/or requested data have been submitted within timeframes established by the State. Also see Criteria for Disapproval of Application section below.
- d. Any funds due to HUD or the State have been repaid or a satisfactory arrangement for repayment of the debt has been made and payments are current.
- e. The unit of general local government cannot be on the list of sanctioned communities that is maintained by the Office of Community Development.
- f. The unit of general local government must have ordinances in place and if necessary a condemnation policy. A resolution will be required that states the municipal code and the date adopted during the application process.

Only those clearance applications which are submitted by applicants who meet the threshold requirements and submit a full application will be rated and ranked.

The closeout documents (with the exception of the clear lien certificate) for previously funded Clearance grants must be received by the Office of Community Development a minimum of one calendar week prior to the performance and threshold determination date of April 17, 2023, in order to be reviewed and considered for closeout by the threshold determination date of April 17, 2023. Therefore, the deadline for receipt of the closeout documents is April 10, 2023. The clear lien certificate must be submitted by the performance and threshold determination date of April 17, 2023. The State will not be responsible for conditionally closing a grant if the closeout documents are submitted timely, but are determined to need revisions that cannot be completed prior to the established deadline.

In addition to the requirement for closeout documents discussed above, grantees must be monitored by the Office of Community Development forty-five (45) days prior to the performance and threshold determination date of April 17, 2023. Therefore, the monitoring must occur on or before March 2, 2023 in order to be considered for meeting threshold requirements as of April 17, 2023. The State will not be responsible for conditionally closing out a grant if the monitoring occurs timely, but any monitoring findings cannot be cleared prior to the performance and threshold determination date of April 17, 2023.

The State is not responsible for notifying applicants as to their performance status.

The State may announce some FY 2023 awards and issue “authorizations to incur costs” for those awards prior to receiving funds from HUD for the FY 2023 funding year. Those issuances will be contingent upon the State’s receipt of FY 2023 LCDBG funds from HUD.

2. Technical Assistance

Interested municipalities that do not meet the threshold requirements in VIII.C.1 may submit a letter of interest for the Clearance Technical Assistance Program.

This program will offer technical assistance to Towns and Villages that do not have ordinances in place to complete the Clearance Program on a first come – first served basis. The municipality must meet the following requirements:

- 1) The unit of general local government must have at least one full-time employee that can work with the Office of Community Development.
- 2) No current ordinance and condemnation policy being utilized.
- 3) No funds in the current budget for Clearance projects.
- 4) The unit of general local government cannot be on the list of sanctioned communities that is maintained by the Office of Community Development.
- 5) The unit of general local government cannot be listed on the non-compliance list with the legislative auditor.

Any participant that successfully completes the Clearance Technical Assistance Program will receive priority for funding under the FY 2024 Clearance Program.

IX. Method of Selecting Grantees

The State has established selection and rating systems that identify the criteria used in selecting grantees.

A. Rating Systems for Clearance Applications

All applications submitted for clearance projects will be rated according to the following criteria established. Only those local governments that submit an application and meet the FY 2023 threshold requirements within established deadlines will be rated/ranked for the FY 2023 Clearance program.

CLEARANCE - (Maximum of 119 Points)

After all rating points have been assigned, a final clearance ranking list will be produced for Cities/Parishes and Towns/Villages including all clearance applications for both categories that are being considered for the FY 2023 program year ranked from highest to lowest according to the total number of points received by each application. The OCD will award funding based on this final clearance ranking list as funds are available.

The maximum points available for all Clearance projects is 119.

a) Benefit to Low/Moderate Income Persons (Maximum Possible Points - 100)

Clearance applications are classified as community-wide, for rating purposes the beneficiaries of the project will be considered as all of the persons living within the boundaries of the local government. In order to determine the benefit to low/moderate income persons for the clearance program, the applicant must utilize census data. The U.S. Department of Housing and Urban Development (HUD) has provided the low/moderate income data based on the 2011-2015 American Community Survey on its website. That information is available on a community-wide basis as well as for census tracts and block groups. The applicant must obtain this information prior to the submittal of the application.

The percentage of low/moderate persons benefitting to the 100th decimal place will be used to determine the number of points for this category.

b) Population Loss (Maximum Possible Points – 5)

This rating factor is based on the percentage of population loss for the municipality. The Office of Community Development will use the Census data that calculates the rate of loss between 2010 census and 2022 population on World Population Review. Applicants can find the list of Population loss at <https://worldpopulationreview.com/states/cities/louisiana>. The population loss will be converted to a score based on the following Table.

Percentage of loss	Points Received
Above (-10.0) %	5 points
(-5.0) – (-9.99)%	3 points
(-0.01)- (-4.99) %	1 point

c) Prior Approval to demolish all structures (Maximum Possible Points – 10)

Applicants with prior approval to demolish all structures applied for will be awarded 10 points. The applicant will be required to provide a resolution from the local government unit stating the structures that have been approved.

d) Administrative Costs (Maximum Possible Points - 2)

Those applicants that agree to pay all administrative costs associated with the implementation of the LCDBG program will receive two points. Such costs will include, but will not be limited to, application preparation fees, audit fees, advertising and publication fees, local staff time, workshop expenses, administrative consultant fees, et cetera. If the applicant plans to utilize the services of an administrative consultant, local funds must be pledged and allocated for such services. While the LCDBG Program will allow a maximum of \$50,000.00 for an administrative consultant's fees, the actual cost of these services may be less than this amount and will be determined through negotiation during the procurement process. To substantiate that the local government will pay administrative costs associated with the LCDBG Program, a certification of such signed by the chief elected official must be included in the application as well as a copy of the resolution by the local government identifying the firms hired and the proposed amount of the contracts. That resolution must state that local funds will be used to pay the administrative consultant fees and any other administrative costs incurred by the local government.

If the local government maintains full-time permanent staff for the sole or partial purpose of administering LCDBG or other federal programs, such staff must have proved its capacity

to administer LCDBG or other federal programs through previous program administration. In this instance, the points will also be assigned.

The following requirement will apply to those applicants which receive the point for paying administrative costs and are successful in receiving a grant. If such grantees have an under-run in their project costs, the grantee will not be allowed to use those monies for the purpose of reimbursing the local government for any administrative costs associated with the LCDBG Program.

e) Application Completeness (Maximum possible points – 2)

For applications that are submitted in which all application forms and required documents/information are included, the applicant will receive one point. Additionally, if OCD determines that no documents require revisions in order to complete the scoring of the application, the applicant will receive one point.

B. If other funds are involved and that applicant is in a position to be funded, the LCDBG staff will contact the applicant prior to a grant award and request positive proof of the current availability of the other funds; if proof cannot be provided within the timeframe allowed by the OCD (approximately ten calendar days), then the project will not be funded at that time. If additional LCDBG funds are made available and grants are awarded again in the same program year, the applicant will be reconsidered and given the opportunity to provide availability of additional funds; if the other funds are not available at that time, the applicant will no longer be considered for funding.

C. Submission Requirements

Clearance applications for FY 2023 funds must be submitted to the Office of Community Development on the proper forms and in accordance with the instructions provided in the Louisiana Community Development Block Grant application packages for the Clearance program.

Only that data received by the deadlines established for the Clearance application packages will be considered in the selection process unless additional data is specifically requested by the Office of Community Development. Material received after the deadline will not be considered as part of the application unless it was requested by the Office of Community Development – this policy will be strictly enforced.

I. Application Review Procedures

- a) The application package must be received in office by the deadline established by the Office of Community Development.
- b) The application submission requirements must be complete. If the Office of Community Development determines during the review that the application did not contain items necessary to accurately rate the application, did not include all required forms, involved a local survey that was not conducted on a random and/or representative basis, or was poorly packaged, etc., the application may be removed from further consideration for funding at the State's discretion.

- c) The funds requested must meet the minimum grant amount and must not exceed the ceiling amounts established by the Office of Community Development.
- d) Following the review of all applications, the Office of Community Development will notify the applicant of the actions taken with regard to its application.
- e) The Office of Community Development may make a conditional approval, in which case the grant will be approved, but the obligation and utilization of funds is restricted. The reason for the conditional approval and the actions necessary to remove the condition shall be specified. Failure to satisfy the condition may result in a termination of the grant. Conditional approval may be made:
 - 1) where local environmental reviews have not yet been completed;
 - 2) to ensure the project can be completed within estimated costs;
 - 3) to ensure that actual provision of other resources required to complete the proposed activities will be available within a reasonable period of time.

f) Criteria for Disapproval of an Application

The Office of Community Development may disapprove an application for any of the following reasons:

- 1) Based on a field review of the applicant's proposal or other information received, it is found that the information was incorrect; the Office of Community Development will exercise administrative discretion in this area.
- 2) The Office of Community Development determines that the applicant's description of needs and objectives is inconsistent with facts and data generally available. The data to be considered must be published and accessible to both the applicant and State such as census data, or recent local, area wide, or state comprehensive planning data.
- 3) Other resources necessary for the completion of the proposed activity are no longer available or will not be available within the period of time specified by the Office of Community Development.
- 4) The activities cannot be completed within the estimated costs or resources available to the applicant.
- 5) The proposed activity is not eligible, is not one of the State's priorities for funding, or the national objective is not being met.
- 6) The application does not score high enough to be above the funding line.
- 7) The applicant is on the State of Louisiana's Legislative Auditor's Non-Compliance List ten business days prior to the date of award.
- 8) The unit of general local government is on the list of sanctioned communities that is maintained by the Office of Community Development.

D. Program Amendments for the LCDBG Program

The Office of Community Development may consider amendments to funded grants in certain circumstances. Recipients shall request prior approval from the Office of Community Development for all program amendments involving new activities or alteration of existing activities that will change the scope, location, or objectives of the approved activities or beneficiaries.

1. New or altered activities are considered in accordance with the criteria for selection applicable at the time the original application was reviewed and the policy, current at that time, regarding amendments.
2. All amended activities must receive environmental clearance prior to construction. Any amendments or changes that require an amendment to the originally approved environmental review will not be approved.
3. The Office of Community Development will ascertain as to whether or not the proposed activity is an integral part of the originally approved project and is necessary to complete the project as originally approved.
4. The Office of Community Development will also review the site location of the proposed activity in relation to the approved target area. If there is a budget under-run and an expansion of the target area is requested, approval of the amendment will be based upon the following: Such expansions will have to be contiguous to the original target area. The overall project will still have to meet its intended national objective. After making any adjustments to the original application's score, the revised application must remain above the funding line. The scope and intent of expansion must be in keeping with the scope and intent of the originally funded application. The requested amendment cannot merely involve an enhancement of the originally approved project. As stated above, any amendments or changes that require an amendment to the originally approved environmental review will not be approved.

X. Economic Development

The economic development set-aside is to be used to provide financial assistance for individual projects that will result in job creation or retention in which a majority of the jobs (51 percent) will benefit persons of low to moderate income. An application for LCDBG economic development funds may be submitted at any time during the program year.

A. Eligible Applicants and Activities

The LCDBG economic development program provides funds directly to the non-entitlement units of general local government as do the other LCDBG programs.

- Infrastructure economic development grants can be used by the unit of general local government to provide sewer, water, gas, and street/road access on public property for the private industrial/business site boundaries. When funds are used by the local government for the acquisition, construction, or rehabilitation of a building and improvements for economic development, the local government must retain ownership of the infrastructure, and/or buildings and improvements acquired, constructed, or rehabilitated with LCDBG funds.

- Funds can also be used to directly assist the business in the form of loans, as long as the business meets the necessary underwriting criteria (found in 24 CFR 570.209).
- Funds will also be available for public service employment training. Use of this eligible activity will require the unit of general local government to engage a qualified subrecipient to carry out the program.

Lease payments received from the local government as a result of LCDBG funds utilized in the acquisition, construction, or rehabilitation of a building and improvements shall be charged at fair market value and shall be considered as program income, until the lease payment revenues have fully offset the amount of the grant. If the local government elects to charge in excess of fair market value rent, the extra portion shall also be considered as program income. If LCDBG funds are utilized in conjunction with other funds for such acquisition, construction, or rehabilitation, the pro-rata share of the lease payments will be considered as program income, and will be subject to the federal regulations regarding the use of program income. The grantee is allowed to retain the program income if the program income will be used to continue the activity from which the program income was derived. The state has determined that the activity is considered to be “continued” only when the activity is precisely the same project, assisted business, contractor, and serves the same beneficiaries of the originally approved grant/project. Otherwise, the State will recapture from the grantee/local government one hundred percent of program income. The State will recapture from the grantee one hundred percent of the loan repayments of LCDBG economic development grants for loan purposes and lease payments received as a result of 23 LCDBG funds utilized in the construction, acquisition, or rehabilitation of a building and improvements (program income to the State), and redistribute the funds as described above.

The term “assisted business” means the corporate entity as well as the individual investors, stockholders, and owners of a for-profit business on behalf of whom the unit of general local government is making the application. As an example of the effect of this definition, an LCDBG economic development grant made to a local government on behalf of Company A cannot be used to provide infrastructure improvements to benefit Company B, when both Company A and Company B are substantially owned by one or more of the same individuals. No grant award will be made to a local government for an economic development project that consists of infrastructure improvements in which an elected official or a member of his/her immediate family has a financial interest as the project assisted business. Requests from non-profit organizations will not qualify for for-profit business assistance.

When requesting infrastructure to facilitate the location of a business at a particular site, the assisted business must be able to show that it is appropriate to the needs of the business. The assisted business must provide sufficient financial and other statements, projections, et cetera to establish that the business is likely to be successful, and will create the appropriate number of jobs at the site in a specified time frame. The State must be assured that projects will have a net job creation impact on the community and not simply redistribute jobs around the community. Some projects seek to facilitate the relocation of a particular business from one area to another. Federal regulations (24 CFR 570.482(h)) mandates that LCDBG assistance will not be available to assist directly in the relocation of

any industrial or commercial plant, facility, or operation, from one area to another area, if the relocation is likely to result in a significant loss of employment in the original labor market area.

Speculative development projects are prohibited. Economic development funds cannot be used for infrastructure projects, to acquire, construct, or rehabilitate a building or to create a general industrial park project with the hope that a potential assisted business will then be attracted. It must be tied to a specific assisted business, (a single private for-profit business entity that possesses a federal tax identification number), creating a specific number of jobs for predominantly low to moderate income persons.

In addition, certain manufacturing and non-manufacturing projects will not be considered for funding based on past experience and the lack of potential for creating permanent positions. Those projects involving truck stops and/or “related activities” (such as gaming) as well as private prison developments, nursing homes, cut-and-sew operations, and hotels/motels.

B. Application Process and Requirements

The following requirements must be met by all economic development applicants:

Pre-Application Requirements

1. The LCDBG Economic Development Pre-Application Workbook must be completed and submitted for review. If the Office of Community Development determines that the information provided is incomplete or insufficient, revisions and/or further information may be requested.
2. Upon satisfactory completion of the Pre-Application Workbook, an invitation for the required pre-application meeting will be extended to appropriate parties representing the local government and the business.
3. After the pre-application meeting, based on the information acquired, the Office of Community Development will determine whether the proposed project is eligible. If eligible, the unit of general local government will be invited to submit a full Economic Development Application.

Application Process

1. As part of meeting the HCDA goal of stimulating private investment in the eligible communities, a firm financial commitment from the private sector will be required upon submission of the application. For economic development projects, the private funds/public funds ratio must not be less than 1:1.

For an application to be funded, the State must meet the requirements of the federal economic development regulations (24 CFR 570.482(e) and be assured that the project is credit worthy; there is sufficient assisted business equity; the LCDBG funds will be efficiently and effectively invested; the maximum amount of private and the minimum amount of public funds will be invested in the project; the project will make an adequate return in the form of public benefits commensurate with the money invested; the State and the local government will not assume a disproportionate amount of risk in the project; and the State and the local

government will receive an adequate security interest proportionate to the LCDBG funds invested in the project.

Private funds invested in the project must be in the form of an assisted business's cash or loan proceeds. Revenues from the sale of bonds may also be counted if the assisted business is liable under the terms of the bond issue. Previously expended funds will not be counted as private funds for the purpose of this program, nor will private funds include any grants from federal, state or other governmental programs, nor any recaptured funds. The value of land, buildings, equipment, et cetera, already owned by the assisted business and that will be used in the new or expanded operation, will not be considered as private match.

2. In order to meet the federal public benefit requirements (24 CFR 570.482(f) the State has set a limit that the cost per job created or retained cannot exceed \$20,000 in grant funds in order to be considered for funding. However, in census designated areas with poverty rates of 20 percent or greater this limit may be waived by the director (not to exceed HUD requirements).
3. A minimum of ten jobs created or retained is required for LCDBG assistance.
4. A minimum of fifty-one percent of the employment will benefit low/moderate income persons (24 CFR 570.483(b)(4)).
5. The application must include documentation showing that the project is feasible from the management, marketing, financial, and economic standpoints. Management feasibility relates to the past experience of the assisted business in managing the type of project described in the application, or other similar managerial experience. Marketing feasibility deals with how well the market for the product has been documented at the application stage, the best case being that the assisted business has verifiable commitments substantiating the first year's sales projection. A typical market study includes a detailed analysis of competition, the expected geographical sales plan, and letters of intent to buy, specifying quantity and price. Economic feasibility relates to whether or not the assisted business has realistic projections of revenues and variable 25 costs, such as labor and cost of materials, and whether they are consistent with industry value added comparisons. An assessment will be made of the industry sector performances for the type of industry/business described in the application. Financial feasibility has to do with the ability of the firm to meet all of its financial obligations in the short and long term, determined by a cash flow analysis on the financial history and projections of the business. In analyzing the financial feasibility of a project, the Office of Community Development may suggest alternatives in the timing of expenditures, the amount and proposed use of public and private funds, as well as other financial arrangements proposed in the application.

Certain assurances by the assisted business, related to the timing of the development on the site, will be required. Other agreements between the local government and the assisted business/property holder, relative to public rights of way, et cetera will be required as needed on an individual project basis.

As with the other LCDBG programs, a grant agreement is signed by the State and the unit of general local government. In addition to this agreement, a second two-

party agreement is signed by the unit of general local government and the assisted business for economic development projects. This second agreement is subject to the approval of the State and will include provisions relating to: the expected number of jobs (and corresponding job titles) to be created or retained, the sources and uses of all funds to be committed to the project, the financial and other reporting requirements of the assisted business and the unit of general local government.

C. Default

In case of default or failure by the assisted business to meet all contractual obligations, the local government shall be ultimately responsible for repayment to the State of the grant funds that were provided by the State.

In case of a default by the local government in the repayment of grant funds to the State in accordance with the terms and conditions of the contract, the full sum remitted to the local government shall become due and payable to the State upon demand.

D. Sale of Buildings

In those instances where a local government has received a grant for the acquisition, construction, or rehabilitation of a building and improvements and the building is sold prior to receiving sufficient lease payment revenues to offset the amount of the grant, the local government will be responsible to the State for the net unpaid portion of the grant, regardless of the sale price. "Net unpaid portion" shall mean the grant amount, less administration costs and any lease payments previously made to the State. The sale procedure to be followed by the local government must be approved in writing by the Office of Community Development prior to the sale.

E. Size of Grants

The amounts available are limited by the number of new, permanent, full time jobs created based on a maximum of \$20,000 per job for publicly-owned infrastructure. This includes up to \$100,000 for program administration, including pre-agreement costs. A maximum of \$9,000 can be paid for pre-agreement costs if the Environmental Review Record (ERR) is submitted prior to application submittal or a maximum of \$4,000 for pre-agreement costs if the ERR is not submitted prior to application submittal.

New or Startup Businesses:

- \$700,000 (including administrative and pre-agreement costs) grant for publicly-owned infrastructure
- \$700,000 (including administrative and pre-agreement costs) for purchase, rehabilitation or construction of a publicly-owned building

Expansion of Existing Businesses:

- \$1,100,000 (including administrative and pre-agreement costs) grant for publicly-owned infrastructure
- \$1,100,000 (including administrative costs) for purchase, rehabilitation or construction of a publicly-owned building.

- At the State's discretion, a grant for an existing business may be awarded over the maximum amounts stated above if the project would result in a substantial number of jobs created.

Administrative Costs - Within the ceiling amounts the State also allows applicants, in accordance with federal procurement and cost principle requirements, to request funds for administrative costs with the following limitations. Each local government will be allowed a maximum of \$100,000. If an exception is made to the maximum grant allowance, the administrative fee could also be raised relative to the award made. The amount of administrative funds that may be requested for economic development projects will be dependent upon the amount of pre-agreement costs requested, however a combined maximum of no more than \$100,000 will be allowed. In all instances, the local government may (but is not required to) retain up to five percent of the funds allowed for program administration to cover its costs of administering the LCDBG Program; such costs on the local governmental level include but are not limited to audit fees, advertising and publication fees, staff time, workshop expenses, etc. Engineering and architectural fees may also be requested within the ceiling amounts; the funds allowed by the State will not exceed those established by the Office of Community Development in accordance with the Engineering Fee Schedules and Policies located on the Office of Community Development's website. The Office of Community Development reserves the right to make adjustments to those ranges when deemed necessary. If the scope of the project changes significantly after a project has been funded, the State will make a determination as to the actual amount which will be allowed for engineering costs; this determination will be made on a case-by-case basis. An adjustment (reduction) to the amount allowed for basic engineering fees will also be made in those instances where the project plans and specifications were prepared prior to the grant award.

F. Application Review Procedures

1. The application submission requirements must be complete. If the Office of Community Development determines during the review that the application did not contain items necessary, did not include all required forms, or was poorly packaged, etc., the application may be removed from further consideration for funding, or the application's requested pre-agreement costs for application preparation may be reduced at the State's discretion.
2. Review and Notification - Following the review of all applications, the Office of Community Development will notify the applicant of the actions taken with regard to its application.
3. Criteria for Conditional Approval - The Office of Community Development may make a conditional approval, in which case the grant will be approved, but the obligation and utilization of funds is restricted. The reason for the conditional approval and the actions necessary to remove the condition shall be specified. Failure to satisfy the condition may result in a termination of the grant. Conditional approval may be made:
 - a) where local environmental reviews have not yet been completed;
 - b) to ensure the project can be completed within estimated costs;
 - c) to ensure that actual provision of other resources required to complete the proposed activities will be available within a reasonable period of time.

4. Criteria for Disapproval of an Application. The Office of Community Development may disapprove an application for any of the following reasons:
 - a) Based on a field review of the applicant's proposal or other information received, it is found that the information was incorrect; the Office of Community Development will exercise administrative discretion in this area.
 - b) The Office of Community Development determines that the applicant's description of needs and objectives is inconsistent with facts and data generally available. The data to be considered must be published and accessible to both the applicant and State such as census data, or recent local, area wide, or state comprehensive planning data.
 - c) Other resources necessary for the completion of the proposed activity are no longer available or will not be available within the period of time specified by the Office of Community Development.
 - d) The activities cannot be completed within the estimated costs or resources available to the applicant.
 - f) The proposed activity is not eligible, is not one of the State's priorities for funding, or one of the three national objectives is not being met.
 - g) The applicant is on the State of Louisiana's Legislative Auditor's Non-Compliance List ten business days prior to the date of award.
 - h) The unit of general local government cannot be on the list of sanctioned communities that is maintained by the Office of Community Development.

G. Program Amendments for the LCDBG Program

The Office of Community Development may consider amendments to funded grants in certain circumstances. Recipients shall request prior approval from the Office of Community Development for all program amendments involving new activities or alteration of existing activities that will change the scope, location, or objectives of the approved activities or beneficiaries.

1. New or altered activities are considered in accordance with the criteria for selection applicable at the time the original application was reviewed and the policy, current at that time, regarding amendments.
2. All amended activities must receive environmental clearance prior to construction. Any amendments or changes that require an amendment to the originally approved environmental review will not be approved.
3. The Office of Community Development will ascertain as to whether or not the proposed activity is an integral part of the originally approved project and is necessary to complete the project as originally approved.
4. The Office of Community Development will also review the site location of the proposed activity in relation to the approved target area. If there is a budget under-run and an expansion of the target area is requested, approval of the amendment will be based upon the following: Such expansions will have to be contiguous to the original target area. The overall project will still have to meet its intended national

objective. The scope and intent of expansion must be in keeping with the scope and intent of the originally funded application. The requested amendment cannot merely involve an enhancement of the originally approved project. As stated above, any amendments or changes that require an amendment to the originally approved environmental review will not be approved.

XI. Sustainable Water Management Consolidation (SWMC) Planning Grant Program

The Sustainable Water Management Consolidation (SWMC) Planning Grant program was created to provide local governments with funding in order to develop viable, fundable water projects consisting of consolidation of non-profit/municipal water systems throughout the state of Louisiana. With a focus on consolidation and system upgrades/repairs, the intent of the SWMC Planning Grant program is to create water systems that are sustainable, financially solvent, and stable. \$200,000 has been set aside for the SWMC Planning Grant program (with an individual grant ceiling of \$40,000).

A. General Information

Each planning activity must meet the national objective of principal benefit (at least 51 percent) to low and moderate income persons. An activity involving planning (when such activity is the only activity for which the grant to the unit of general local government is given, or if the planning activity is unrelated to any other activity assisted by the grant) will be considered to address the objective of benefiting low and moderate income persons if it can be documented that at least 51 percent of the persons who would benefit from implementation of the plan are low and moderate income persons. Any such planning activity for an area or a community composed of persons of whom at least 51 percent are low and moderate income shall be considered to meet this national objective (as defined in 24 CFR 570.483(b)(5)).

B. Restrictions for the SWMC Planning Grant program

Eligible applicants must meet the community-wide threshold of fifty-one percent LMI as determined by a survey and/or the American Community Survey 2011-2015 Low- and Moderate-Income Summary Data for Louisiana Municipalities.

I. Census Data

If census data is available for the project area, its low/moderate income data must be utilized. The U.S. Department of Housing and Urban Development (HUD) has provided the low/moderate income data based on the 2011-2015 American Community Survey on its website. That information is available on a community-wide basis as well as for census tracts and block groups. The applicant must obtain this information prior to the submittal of the application. If ten percent or less of the houses in the project area are not currently served by nor will be served by the proposed project, census data, rather than survey data, must be used to determine the benefit to low/moderate income persons. For example, if there are 100 occupied houses in the project area and 10 of those houses are not connected to the

sewer system, the applicant must still utilize census data rather than a local survey to determine income statistics - if census data is available for the project area.

2. Local Survey

When a project area does not coincide with census tracts or block groups, an applicant must conduct a local survey or combine census data with a local survey. For instance, if a project area encompasses an entire block group, but is larger than the block group, (however does not encompass an entire census tract), the applicant would utilize the census data for the block group, and conduct a survey of the additional areas which are outside of the block group and combine the data. The survey sheet in the current application package must be used. Survey data must also be tabulated and submitted on the forms provided in the appropriate application package; survey data submitted on forms other than those provided in the appropriate application packages will not be accepted. Local surveys must identify the number and composition of high, moderate, low, and extremely low income persons.

When a local survey is used to determine the low/moderate income benefit, a random sample which is representative of the population of the entire target area must be taken. The survey methodology and procedures which must be followed when conducting a local survey will be explained in the FY 2022 application package that will be used for all local governments invited to submit an application.

Each eligible applicant may apply for (and receive) one SWMC planning grant under the FY 2022 LCDBG Program.

Once an applicant receives a planning grant under the SWMC Planning Grant program, it is not allowed to receive another SWMC planning grant until the project related to the original planning grant is complete.

There is no threshold requirement for eligibility to participate in the SWMC Planning Grant program. However, any potential applicants that fail to meet deadlines set forth by OCD at any point in the process are subject to disqualification in consideration of funding for a planning grant.

All eligible units of local government may participate in the SWMC Planning Grant program. However, capacity and past performance may be taken in consideration. These considerations assist with the State's ability to promote the timeliness of grantee expenditures. No grant will be made to an applicant that lacks the capacity to undertake the proposed program. In addition, applicants which have previously participated in the LCDBG Program must have performed adequately.

Applications under the SWMC Planning Grant program will be accepted on a continuous basis throughout the program year. Local governments interested in applying for these funds should first contact OCD by submitting a Letter of Intent regarding the proposed planning project. OCD will verify eligibility for the

potential applicant, and determine which of the submitted projects, if any, are considered the most viable and needed. Chosen applicants will be invited to continue the application process. Units of general local government will also be required to explain that the national objective of principal benefit (at least 51 percent) to LMI persons will be met, and how that will be achieved. Applications evaluated for possible funding will not be based upon a numerical rating scale system.

C. Submission Requirements

SWMC planning grant applications for FY 2022 funds must be submitted to the Office of Community Development on the proper forms and in accordance with the instructions provided in the Louisiana Community Development Block Grant application package.

D. Application Review Procedures

1. The application submission requirements must be complete. If the Office of Community Development determines during the review that the application did not contain items necessary to accurately rate the application, did not include all required forms, involved a local survey that was not conducted on a random and/or representative basis, or was poorly packaged, etc., the application may be removed from further consideration for funding, or the application's requested pre-agreement costs for application preparation may be reduced at the State's discretion.
2. The funds requested must not exceed the ceiling amounts established by the Office of Community Development.
3. Review and Notification - Following the review of all applications, the Office of Community Development will notify the applicant of the actions taken with regard to its application.
4. Criteria for Conditional Approval - The Office of Community Development may make a conditional approval, in which case the grant will be approved, but the obligation and utilization of funds is restricted. The reason for the conditional approval and the actions necessary to remove the condition shall be specified. Failure to satisfy the condition may result in a termination of the grant. Conditional approval may be made:
 - a) where local environmental reviews have not yet been completed;
 - b) to ensure the project can be completed within estimated costs;
 - c) to ensure that actual provision of other resources required to complete the proposed activities will be available within a reasonable period of time.
5. Criteria for Disapproval of an Application. The Office of Community Development may disapprove an application for any of the following reasons:
 - a) Based on a field review of the applicant's proposal or other information received, it is found that the information was incorrect; the Office of Community Development will exercise administrative discretion in this area.
 - b) The Office of Community Development determines that the applicant's description of needs and objectives is inconsistent with facts and data

generally available. The data to be considered must be published and accessible to both the applicant and State such as census data, or recent local, area wide, or state comprehensive planning data.

c) Other resources necessary for the completion of the proposed activity are no longer available or will not be available within the period of time specified by the Office of Community Development.

d) The activities cannot be completed within the estimated costs or resources available to the applicant.

e) The proposed activity is not eligible, is not one of the State's priorities for funding, or one of the three national objectives is not being met.

f) The applicant is on the State of Louisiana's Legislative Auditor's Non-Compliance List ten business days prior to the date of award.

g) The unit of general local government cannot be on the list of sanctioned communities that is maintained by the Office of Community Development.

E. Program Amendments for the LCDBG Program

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3. The Office of Community Development will ascertain as to whether or not the proposed activity is an integral part of the originally approved project and is necessary to complete the project as originally approved.

4. The Office of Community Development will also review the site location of the proposed activity in relation to the approved target area. If there is a budget under-run and an expansion of the target area is requested, approval of the amendment will be based upon the following: Such expansions will have to be contiguous to the original target area.

The overall project will still have to meet its intended national objective. The scope and intent of expansion must be in keeping with the scope and intent of the originally funded application. The requested amendment cannot merely involve an enhancement of the originally approved project. As stated above, any amendments or changes that require an amendment to the originally approved environmental review will not be approved.