

# State of Louisiana



Community  
Development Block  
Grant Program



# Office of Community Development

- ▶ Local Government Assistance Program – state funds
- ▶ Community Water Enrichment Program – state funds
- ▶ Louisiana Community Development Block Grant Program – federal funds




# Office of Community Development

## LGAP

- Funded by Legislature in HB 2
- Provides financial assistance to local governments in rural areas (HUD non-entitlement areas)
- Per parish allocation is determined by equally dividing available funds among all eligible parishes

## CWEF

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- Per parish allocation is determined by equally dividing available funds among all eligible parishes



Applicants may not exceed the following funding levels for any fiscal year, unless other eligible applicants within the parish agree by resolution to allow funding levels to be exceeded.

## LGAP

- Villages – up to \$25,000
- Towns – up to \$35,000
- Cities – up to \$50,000
- Parishes – up to \$100,000

## CWEF

- Villages – up to \$25,000
- Towns – up to \$35,000
- Cities – up to \$50,000
- Parishes – up to \$100,000



# Local Government Assistance Program

➤ Eligible Activities: fire protection, sewer, water, renovations to essential governmental buildings, police protection, land acquisition, demolition, equipment, roads, drainage, and reasonable engineering costs (if associated with construction)

➤ Non-Eligible Activities: consulting fees for preparation of the application, for administrative costs by agents of the project sponsor or any third party, previously incurred debt, improvements to private property, overtime for government employees, administration, engineering only or planning only projects.



# Community Water Enrichment Fund

► Eligible Activities: rehabilitation, improvement, and new construction projects for community potable water systems. Reasonable engineering costs (if associated with construction) are allowed.

► Non-Eligible Activities: consulting fees for preparation of the application, for administrative costs by agents of the project sponsor or any third party, previously incurred debt, improvements to private property, overtime for government employees, administration, engineering only or planning only projects.



# LGAP/CWEF

- ▶ Can only have two open grants at one time.
- ▶ If a third grant award is pending, a municipality has six months to close out a current grant or the award will not be made
- ▶ If a municipality is on the Legislative Auditor's Non-compliance list, then a new grant award cannot be made. The municipality is notified of the potential award and given six months to become compliant.

# LGAP/CWEF Application and Funding Process

Appropriation made by legislature



OCD determines per parish allocation



OCD develops application package and sends to legislators



OCD sends application package to eligible local governments



# LGAP/CWEF Application and Funding Process

Local governments submit completed applications and letters of support by deadline



OCD reviews applications and submits recommendations to legislators for concurrence



OCD submits funding recommendations to Commissioner of Administration



Commissioner of Administration forwards funding recommendations to Governor

# LGAP/CWEF Application and Funding Process

Letters of award/notices of non-compliance are mailed to recipients



Grant agreements are emailed to recipients for signature and return



OCD fully executes grant agreements



OCD transmits fully executed grant agreement and authorizes recipient to incur costs



# LGAP/CWEP

Spending the money...

- Be sure that you have followed the proper procurement procedures.
- Must be written documentation.
- Submit completed Request for Payment with approved invoices attached.
- Request amendment, if necessary.



# LGAP/CWEF

Closing out the project...

- Finish all work associated with the funds.
- Submit completed Close out document with signed affidavit.
- Make sure all items are completed correctly.
- Include pictures!



# LGAP/CWEF

Contact Information:

**Forest Hodges or Mitch McDaniel**

**225-342-7412**





# Louisiana Community Development Block Grant Program

- Appropriated by Congress and allocations are determined by the U.S. Department of Housing and Urban Development
- Distribution of annual allocation is determined by OCD and approved by HUD
- Funds must be distributed to non-entitlement local governments
- Funds must meet a national objective
  - Principal benefit to low/mod income persons
  - Elimination or prevention of slums or blight
  - Urgent Need



# LCDBG – Method of Distribution

- OCD conducts a public hearing to obtain the needs of the state
  - Publish notice of the public hearing
  - Survey all eligible local governments in an effort to identify the needs of the communities
- Establish priorities of the LCDBG in consideration of all program compliance requirements and needs of the communities.
  - These are consistently water, sewer, and streets.



# Louisiana Community Development Block Grant Program

- Annual allocation is approximately \$20 million
  - Demonstrated Needs - \$1,200,000
  - LaSTEP (self-help) - \$500,000
  - Economic Development - \$3,000,000
  - Public Facilities - \$14,500,000





# LCDBG – Demonstrated Needs Program \$1,200,000

- Eligible activities: improvements to existing sewer systems involving collection and treatment, improvements to existing water systems addressing potable water, improvements to existing gas systems, other community needs as determined by the State.
- Funding Criteria: Project must address a critical need that developed within 3 months of the submittal of an application. Project must principally benefit low/moderate persons or meet an urgent need.
- Awards are made continually April 1 through March 31 of each program year and are subject to the availability of funds.
- Award maximum = \$300,000 (includes up to \$38,700 for administration and pre-agreement costs)




# LCDBG – Louisiana Small Town Environment Program (LaSTEP) \$500,000

- Established to provide water and wastewater services to communities of low/moderate income residents who have not been successful in obtaining funds through the traditional CDBG grant process.
- Funding Criteria: Project use volunteer labor and show a cost savings of 40% in construction costs. Project must principally benefit low/moderate income persons.
- Awards are made continually April 1 through March 31 of each program year and are subject to the availability of funds.
- A pre-application meeting is required. Applicants are invited to submit an application based on the outcome of the meeting.
- Eligible expenditures: materials, engineering and inspection services, administrative costs, specialized construction costs.
- Maximum award = \$500,000 (Includes up to \$38,700 for administration and pre-agreement costs)



# LCDBG Economic Development Program \$3,000,000

- Established to provide grants to local governments for infrastructure improvements that will facilitate the location of a particular business. Examples include sewer, water, and street/road access on public property to the private industrial/business site boundaries.
- Awards are made continually April 1 through March 31 of each program year and are subject to the availability of funds.
- A pre-application meeting is required. Applicants are invited to submit an application based on the outcome of the meeting.



# LCDBG Economic Development Program

- ▶ Funding Criteria:

- ▶ A firm financial commitment from the private sector. The private funds/public funds ratio must not be less than 1:1.
- ▶ Cost per new, full-time job created must not exceed \$20,000.
- ▶ A minimum of 10 jobs must be created or retained.
- ▶ Employment of a minimum of 51% of persons with household income at the time of employment is within low/moderate income limits.
- ▶ Documentation on the management, marketing, financial and economic feasibility for the proposed activities.
- ▶ The review factors consist of the following: project creditworthiness; sufficient developer equity; the ratio of private funds to public funds; the number of jobs that will result in proportion to the money invested; and the applicant's performance with any prior CDBG grants or loans from the State.



# LCDBG Economic Development Program – Ineligible activities

- ▶ Federal legislation has mandated that CDBG assistance cannot be used to assist directly in the relocation of any industrial or commercial, plant, facility or operation from one area to another if the relocation is likely to result in a significant loss of employment in the labor market area from which the relocation occurs.
- ▶ Projects in which an elected official or a member of his/her immediate family has a financial interest as the project developer are ineligible.
- ▶ Projects involving “truck stops and related activities”, gaming, “cut and sew” operations involving manufacture of clothing/apparel and non-manufacturing operations such as hotels and motels, privately owned prisons, and nursing homes are not eligible.



# LCDBG Economic Development Program - Allocation

- ▶ 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. Includes up to \$35,000 for program administration and a maximum of \$9,000 for pre-agreement costs if the 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:
  - ▶ \$639,000 grant for publicly-owned infrastructure, including administrative fees
  - ▶ \$639,000 for purchase, rehabilitation or construction of a publicly-owned building
- ▶ Expansion of Existing Businesses:
  - ▶ \$1,039,000, which includes an allowable administrative cost amount of \$39,000
  - ▶ In the case of large projects with substantial private investment that exceeds the minimum private investment ratio and the number of required jobs, a significant portion of the economic development allocation may be used for activities provided that all other funding criteria are met.



# LCDBG Public Facilities Program

## \$14,500,000

- Priorities established through surveying communities are:
  - sewer systems primarily involving collection lines
  - sewer systems involving collection and treatment
  - sewer treatment only
  - water systems addressing potable water
  - new construction of graveled residential streets, rehabilitation, and/or reconstruction of residential streets [no asphaltic surface treatment]



## PF Application Process – Phase I

- Phase I – For FY 2018 and FY 2019 LCDBG Public Facilities Program
- Project Severity packages were accepted by the OCD until June 9, 2017. OCD scored the project severity packages. These project severity packages were reviewed for funding under the FY 2018 – FY 2019 program years.



# PF Application Process – Phase II



## FY 2018 Program

- Threshold determination – July 14, 2017
- Rank project severity scores meeting past performance threshold requirements
- Top 60% invited to apply around July 28, 2017
- Application Workshops – August 7 (BR) and 8 (Pineville)
- Full applications due – October 27, 2017

## FY 2019 Program

- Threshold determination – July 13, 2018
- Rank project severity scores meeting past performance threshold requirements
- Top 60% invited to apply around July 27, 2018
- Application Workshops – August 6 (BR) and 7 (TBD)
- Full applications due – October 26, 2018



## Items to Note

- ▶ Monitoring must be completed 45 days prior to threshold determination date.
- ▶ Closeout documents must be received at least one week prior to threshold determination date (except for clear lien) in order to be reviewed and considered for closeout.
- ▶ All documents must be approved and clear lien received by threshold determination date in order to meet threshold requirement.

## Citizen Participation and Procurement Procedures

- No administrative consulting or engineering firm can participate or assist a local government in these processes until after the firm has been procured by the local government in accordance with our procedures if LCDBG funds will be used for these services.



- We do now allow consultants to be procured prior to first public hearing to assist the applicant.
- A local government can only hire the same firm to do both administration and engineering if procurement occurs at the same time.

# Citizen Participation and Procurement Procedures

- Information is located on OCD's website at [http://www.doa.la.gov/Pages/ocd/CDBG/about\\_lcdbg.aspx](http://www.doa.la.gov/Pages/ocd/CDBG/about_lcdbg.aspx)



# Grant Ceilings

- \$1,200,000 – Sewer Treatment
- \$1,000,000 – New Sewer Collection
- \$1,000,000 – Existing Sewer Collection Rehab
- \$1,000,000 – Potable Water
- \$800,000 – Streets
  
- For “large” municipalities (14) and parishes (19):
  - \$2,000,000 for Water and Sewer projects
  - \$1,600,000 for Streets



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# Minimum Construction Requirement

- All requests must contain a minimum of \$200,000 of construction activities in order to be considered.
- Any project severity package and/or full application submitted to OCD that does not have an estimate that includes \$200,000 of construction activities will not be scored.



# General Information Regarding Public Facilities Projects

According to federal regulations, the general rule is that any expense associated with repairing, operating, or maintaining public facilities and/or services is ineligible.


- Street project work must have a useful life of at least eight years.
- Filling of (two or three shot) is not eligible. pot holes and the use of asphaltic surface treatment



# General Information Regarding Public Facilities Projects

- Street projects are limited to two target areas. Each target area must have a minimum of 51% low to moderate income persons benefiting, be a minimum of 75% residential, and not more than 50% exempt (i.e. churches, schools, etc.).
- All street projects are ridden and rated; any street within the target area that is deemed to need improvement must be improved.
- State roads are not eligible for improvement with LCDBG funds.





# General Information Regarding Public Facilities Projects

- ▶ For Street projects:
  - ▶ Prior to applying for a street grant, LDH & DEQ concurrence is now required.
  - ▶ Must concur that no utility system within the corporate limits/target area requires improvements that qualify for CDBG PF assistance.
  - ▶ New form (next slide)

## DEQ / LDH Certification Form

Name of Applicant: \_\_\_\_\_

Brief description of proposed project: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- For Municipalities: Does the water/sewer utility system within the corporate limits require improvements that qualify for LCDBG Public Facilities assistance? Yes [ ] No [ ]

- For Parishes: Does the water/sewer utility system within the parish boundaries require improvements that qualify for LCDBG Public Facilities assistance? Yes [ ] No [ ]

Signature of Responsible Entity: \_\_\_\_\_

Name of above-referenced water system: \_\_\_\_\_

Name of above-referenced sewer system: \_\_\_\_\_

**\* For parish projects, attach a map of the target area(s) in relation to parish boundaries. \***

### Louisiana Department of Health (for water systems only)

I agree that the above-referenced water utility system is not currently in violation of any LDH regulations that would necessitate CDBG Public Facilities assistance.

Yes [ ] Name (printed): \_\_\_\_\_

No [ ] Signature: \_\_\_\_\_

If no, state why: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

### Louisiana Department of Environmental Quality (for sewer systems only)

I agree that the above-referenced sewer utility system is not currently in violation of any DEQ regulations that would necessitate CDBG Public Facilities assistance.

Yes [ ] Name (printed): \_\_\_\_\_

No [ ] Signature: \_\_\_\_\_

If no, state why: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

# General Information Regarding Public Facilities Projects




- To be considered and rated as a community/system-wide project, at least 35% of the total construction cost (including contingencies) must be utilized in a community/system-wide activity.
- LMI (51%) must also be met community/system-wide.
- This determination affects the number of beneficiaries that are used in the calculation of the cost effectiveness for rating purposes.

# General Information Regarding Public Facilities Projects



- Only one utility system can be included in each application.
  - Exception: When two or more systems are combining.
- “There may also be instances whereby a municipality wishes to extend its utility system to an adjacent, unincorporated neighborhood or street(s); this type of instance will require annexation of the unincorporated area prior to the closeout of the grant (if the main purpose or majority of the project’s scope of work is to extend the system).” Annual Action Plan, Section II.B.1.



# General Information Regarding Public Facilities Projects

Sewer or Water projects involving new connections

- ▶ LCDBG funds, local funds, or other state or federal funds must be used to pay for connection to residential structures that are occupied by low and moderate income persons.
- ▶ Local government must require higher income residents to connect to the system at their own expense.
- ▶ LCDBG funds cannot be used to pay for connection to non residential structures.
- ▶ If invited to submit a full application, all income verifications for connections will be required to be included with the submittal of the application.

# Rating Criteria for Public Facilities Grants

- Benefit to L/M income persons: 1 point
- Cost Effectiveness: Up to 10 points
- Project severity: Up to 50 points
- Engineering fees paid with local funds: 2 points
- Admin fees paid with local funds: 2 points
- Consolidation of systems: 4 points
- “Application Completeness”: Up to 2 points
  - 1 point if all application forms and required documents/information is included
  - 1 point if no revisions are needed that directly affect application scoring
- TOTAL: 71 possible points



# Noted Changes to PF Application Package

- ▶ If 25% of the persons survey during the household survey process do not want a new system or extension of existing system, the application will not be considered.
- ▶ Low/mod income verifications will be required with the application for new connections.
- ▶ No new household surveys can be conducted with customer list. A map identifying structures is required.




# LCDBG Public Facilities Program

- Highly competitive program
- FY 2018/2019 Application Cycle
  - Received a total of 193 severity assessment packages
    - 16 sewer treatment
    - 11 new sewer
    - 83 sewer rehabilitation
    - 48 streets
    - 35 potable water
  - Invited 72 applicants to submit a full application for 2018
  - Received 68 full applications – 56 ended up on Ranking List





# LCDBG Public Facilities Program

- FY 2019 award recommendations are being processed at this time.
  - Awards are usually made in early-April (beginning of our program year).
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# LCDBG

## Contact Information:

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Heather Paul, Coordinator

225-342-7412





**Questions?**