

MEMORANDUM

TO: Potential LCDBG Applicants
Administrative Consulting Firms
Engineering and Architectural Firms

FROM: Carol M. Newton, Director
Louisiana Community Development Block Grant Program

DATE: May 21, 2009

SUBJECT: Citizen Participation and Procurement for the FY 2010 – FY 2011
LCDBG Program - Housing and Public Facilities

It is time to begin the application process for the FY 2010 and FY 2011 LCDBG program. It is anticipated at this time that the state will conduct application workshops both in Baton Rouge, (on June 23, 2009) and in Pineville, Louisiana, (on June 24, 2009). It is also anticipated that applications for public facilities grants will be due to this office on November 23, 2009, and applications for housing (including physical accessibility) grants will be due on February 15, 2010. A future memorandum will be mailed which verifies these dates. The proposed ceiling amounts for activities have been established as follows.

\$700,000	Housing Rehabilitation
\$200,000	Physical Accessibility
\$1,000,000	Sewer Treatment
\$800,000	New Sewer Collection
\$800,000	Existing Sewer Collection Rehabilitation
\$800,000	Potable Water
\$500,000	Water for Fire Protection
\$600,000	Streets
\$800,000	Community Centers
\$250,000	Demonstrated Needs
\$500,000	LaSTEP

In order to expedite the application process for the FY 2010 and FY 2011 housing and public facilities programs, local governments may now begin the citizen participation process. After the local public hearing is conducted, local governments may begin procurement procedures for professional services that will be paid for with LCDBG funds, contingent upon receipt of LCDBG funding. The current citizen participation and procurement procedures local governments must follow in order to be eligible for funding are located on the Office of Community Development's website at www.doa.louisiana.gov/cdbg/cdbghome.htm. A copy of these requirements can be emailed or mailed if requested. Attached is a description of allowable professional services fees for the housing and public facilities programs. Allowable professional services fees for the economic development, demonstrated needs, and LaSTEP programs will be discussed in the application packages for those respective programs, as it is not necessary to procure services for those programs until an application is being prepared.

If you should have any questions concerning this information, please contact me or Donna Ramirez of the Office of Community Development at 225-342-7412.

Attachment: 1

ALLOWABLE PROFESSIONAL SERVICES FEES
UNDER THE LCDBG HOUSING AND PUBLIC FACILITIES PROGRAMS
FY 2010 - FY2011

Within the ceiling amounts and at the discretion of the Office of Community Development, applicants may request funds for the reimbursement of pre-agreement costs (application preparation fees). In order to be eligible for the pre-agreement costs, the following requirements must be met: (1) the application must be funded under the FY 2010 – FY 2011 LCDBG Program years, (2) the LCDBG procurement procedures must have been followed in the procurement of engineering and/or administrative consulting firms, (3) the application preparation tasks and corresponding costs must be identified in a written contract between the firms and the local governing body and (4) the application components (engineering and/or administrative consulting) must have been properly and adequately packaged as determined by the Office of Community Development. Only those local governing bodies which receive grant awards will be eligible for pre-agreement costs. The Office of Community Development has the option of reducing the reimbursable amount requested for pre-agreement costs on funded applications. The amount of the reduction will be determined by the component(s) of the application which is/are deemed inadequate. The specific requirements which must be followed for procuring these services are identified on the Office of Community Development's website at www.doa.louisiana.gov/cdbg/cdbghome.htm. A copy of these requirements can be emailed or mailed if requested. The pre-agreement costs which can be reimbursed with LCDBG funds depend on the type of project funded:

(a) Housing (including physical accessibility) applications - a maximum of \$2,500 will be allowed. Of this amount, a maximum of \$1,000 will be allowed for the packaging of the application and a maximum of \$1,500 will be allowed for household surveying costs only if the administrative consultant conducts/performs the survey. A minimum of one on-site visit to the target area will be required of the administrative consultant for pre-agreement costs.

(b) Public facilities - (NOT including community centers) - a maximum of \$3,700 will be allowed. Of this amount, a maximum of \$1,500 will be allowed for engineering services; such services may include the preparation of applicable portions of the project description, the cost estimate, the project severity attachment when applicable, pre-application conferences, et cetera. A maximum of \$2,200 will be allowed for administrative consulting fees; a maximum of \$1,400 will be allowed for the preparation of all non-engineering forms and the overall packaging of the application and a maximum of \$800 will be allowed for household surveying costs only if the administrative consultant conducts/performs the survey. A minimum of one on-site visit will be required of the engineer and the administrative consultant for pre-agreement costs. No pre-agreement costs for surveying will be reimbursed when census data rather than a household survey is utilized.

Within the ceiling amounts the State also allows applicants to request funds for administrative costs with the following limitations. Each local governing body will be allowed a maximum of \$35,000 in LCDBG funds for administrative costs on public facilities, and housing rehabilitation/reconstruction projects. In addition to the \$35,000, local governing bodies

administering housing rehabilitation/reconstruction projects will be allowed an additional \$4,000 for construction and administration for each housing unit rehabilitated/reconstructed. (The monies allowed for construction administration must be budgeted in the line item entitled "rehabilitation loans and grants.") If spot rehabilitation is accomplished under a housing project, \$1,000 will be allowed for construction administration for each housing unit treated. For housing physical accessibility projects, a maximum of \$25,000 will be allowed for administrative costs, with an additional \$1,500 allowed for construction administration for each housing unit treated. Additional reductions in administrative costs for grants may occur under certain circumstances. In all instances, the local governing body 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, et cetera. If, after a project has been funded, the scope of the project changes significantly, the State will make a determination as to the actual amount which will be allowed for administrative costs; this determination will be made on a case-by-case basis.

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. 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 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.