

## PUBLIC NOTICE

### **Proposed Substantial Amendment to the FY 2010 – FY 2014 Consolidated Plan and FY 2014 Annual Action Plan for the State of Louisiana**

The Division of Administration, Office of Community Development, proposes to amend the section in the FY 2010 – FY 2014 Consolidated Plan for the State of Louisiana entitled FY 2014 Annual Action Plan, specifically the Method of Distribution – Louisiana Community Development Block Grant Program. The purpose of the amendment is to: a) allow for the redistribution of funds not yet applied for from the economic development category to the public facilities or demonstrated needs category of funds within five to eleven months following the beginning date of the State's program year, and b) discontinue the LCDBG State Revolving Fund, and transfer the balance of the LCDBG State Revolving Fund to the current funding year's public facilities category of funds. Future program income resulting from economic development loans made by local governments will be placed in the current program year's public facilities category.

Part II.E. Distribution of Funds is revised as shown below.

Last paragraph - Between five and eleven months following the beginning date of the State's program year with HUD, all monies not yet applied for which remain in the original allocation for economic development will be transferred to the current program year's public facilities category to continue to fund the highest ranked project(s) not already funded or may be transferred to the demonstrated needs category as deemed necessary by the State.

Part III.C.2. Grants for Loans and Leases. b) is revised as shown below.

The State will recapture from the grantee one hundred percent of the loan repayment of LCDBG economic development grants for loan purposes (program income to the State). These funds will be subject to the federal regulations regarding use of program income.

Lease payments received as a result of LCDBG funds utilized in the construction, acquisition, or rehabilitation of a building shall be charged at fair market value and shall be considered as program income, which will be remitted to the State. If the recipient elects to charge in excess of fair market value rent, the extra portion shall also be considered as program income and will be remitted to the State. If LCDBG funds are utilized in conjunction with other funds for such construction, acquisition, or rehabilitation, the pro-rata share of the lease payment will be considered program income and will be remitted to the State.

The interest rate to be charged on the LCDBG grantee's economic development loan to a business depends on the financial and cash flow projections of the applicant business. This rate will be determined during the application's review.

Part V. **Redistribution of Funds** is revised as shown below.

Second (new) paragraph – The current balance of the funds in the State’s Economic Development Revolving Fund will be transferred to the current program year’s public facilities category of funds.

Third paragraph - With the following exception and stipulations identified in Section II.E., the monies as defined in the above two paragraphs 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. One exception is that the State may use discretion in redirecting recaptured or returned funds from previously awarded public facilities, demonstrated needs, economic development, or LaSTEP grants and/or the balances from these categories to the demonstrated needs category of funding.

Fourth paragraph - All economic development loan repayments to local governments must be submitted to the State. Any other program income earned by local governments as a result of the LCDBG program will be submitted to the State. 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.

Copies of the Consolidated Plan for FY 2010 – FY 2014, including the FY 2014 Annual Action Plan, and this notice are available on the Internet at [www.doa.louisiana.gov/cdbg/cdbghome.htm](http://www.doa.louisiana.gov/cdbg/cdbghome.htm).

Written comments on the proposed amendment may be submitted beginning October 20, 2014, and will be accepted through November 19, 2014. Comments on the proposed amendment may be mailed to the Office of Community Development, Post Office Box 94095, Baton Rouge, Louisiana 70804-9095 or sent via facsimile to 225-342-1947, or emailed to [carol.newton@la.gov](mailto:carol.newton@la.gov).