

FY 2022 / 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:

- I. 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.

If an applicant plans to request funds for an activity claiming that the activity addresses the slums/blight objective, the State's Office of Community Development (OCD) must be contacted for the specific requirements for this determination/qualification prior to application submittal.

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, economic development, and demonstrated needs).

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 \$22,881,887 in federal funds is anticipated to be received for the FY 2022 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, \$3,000,000 will be allocated specifically for economic development projects. Additionally, \$1,200,000 will be set aside for the Demonstrated Needs program, \$200,000 will be set aside for the Sustainable Water Management Consolidation (SWMC) Planning Grant program, and \$700,000 will be set aside 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 2022 LCDBG allocation and distribution of funds.

Total FY 2022 CDBG Funds Allocated to Louisiana (anticipated) \$22,881,887



Administration/Technical Assistance
3% + \$100,000



Economic Development
\$3,000,000



Clearance
\$700,000



Demonstrated Needs
\$1,200,000



SWMC Planning Grant
\$200,000



Remaining LCDBG Funds
Public Facilities

IV. Public Facilities

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 and on the office's website. Project severity packages for public facilities submitted for FY 2022/2023 funds (within the parameters noted under IV.G.) will be scored and ranked. Applicants that submit project severity packages, meet past performance threshold criteria for FY 2022, and are within the top seventy percent of project severity scores of applicants that meet past performance threshold criteria for FY 2022 will be invited to submit a full application to the Public Facilities program. Full applications received within established deadlines will be rated and ranked and funded to the extent that FY 2022 monies are available. The public facilities applications that are not funded under the FY 2022 program year, which meet past performance threshold criteria for FY 2023, and are within the top seventy percent of applicants that meet past performance threshold criteria for FY 2023 will continue to be considered for the FY 2023 program year. Due to the potential fluctuation of costs associated, these applicants will be allowed the opportunity to update the applications submitted for FY 2022 costs for the FY 2023 program year. Applicants that did not meet past performance threshold criteria for FY 2022 but do meet past performance threshold criteria for FY 2023, and are within the top seventy percent of applicants that meet past performance threshold criteria for FY 2023, will be invited with submit a full application to the Public Facilities program. Full applications received within established deadlines will be rated and ranked and funded to the extent that monies are available under the FY 2023 program year.

B. 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.

In general, and in most instances, the applicant will be determined by the location of the potential beneficiaries of that project. There may be instances, however, in which the potential beneficiaries reside within the jurisdiction of more than one local government. In those circumstances, the following rules will apply.

- I. If the proposed project will serve beneficiaries that reside in two or more units of general local government and more than fifty-one percent of those beneficiaries are located within the jurisdiction of one of those units, the appropriate applicant will usually be the unit of general local government in which more than fifty-one percent

of the beneficiaries reside; two circumstances where an exception to this rule may apply are discussed as follows.

There may be instances whereby a local government owns an existing utility system but the majority of the existing users reside outside its jurisdiction. The local government that owns the existing system would be the appropriate applicant.

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). In both of these instances, the local government which owns the utility system will be required to discuss the issue with the staff in the State's Office of Community Development to determine the appropriate applicant.

Only the applicant, not the other unit(s) of government involved, for these types of projects will have to meet the performance threshold criteria to be eligible for funding. The applicant will have to enter into a cooperative agreement with the other unit(s) of government involved; a copy of the cooperative agreement must be included in the application.

There may be other circumstances similar to the ones described but not specifically defined herein; in those instances, the local government proposing the project must also discuss the issue with the staff in the State's Office of Community Development to determine the appropriate applicant.

2. If the proposed project will serve beneficiaries that reside in more than one unit of general local government and no more than fifty-one percent of the beneficiaries are located within the jurisdiction of one of those units of local government and none of the participating local governments currently owns the system, or if a regional project is planned, the Office of Community Development will consider this as a multi-jurisdictional application. Multi-jurisdictional applications will require a meeting with the State's Office of Community Development prior to the submittal of the application for the purpose of determining the appropriate applicant and explaining all of the steps that must be taken by all of the units of local government involved in the application. The designated applicant will apply for the grant and will act as the representative for the other affected units of local government. The designated applicant must retain ownership of the improvements. The designated applicant must meet the performance threshold requirements for eligibility; the other individual municipalities involved do not have to meet threshold requirements with the exception that none of those municipalities can be on the Sanction List maintained by the Office of Community Development. Although each jurisdiction will have to make the required certifications, the designated applicant will be responsible for ensuring that the approved activities will be carried out in accordance with all applicable state and federal requirements. To meet the citizen participation requirements for a multi-jurisdictional application, each unit of general local government involved will conduct the public hearing and publish the notices required for an application. The application will also have to contain individual sets of assurances signed by each local government involved. The designated applicant

will also have to enter into a legally binding multi-jurisdictional agreement with each local government stating, among other things, that all appropriate requirements of the Housing and Community Development Act of 1974 (HCDA), as amended, will be complied with. A copy of the fully executed agreement must be included in the application.

3. If a proposed project includes a consolidation of more than one water or sewer system, the local government(s) must contact OCD to schedule a meeting to discuss the appropriate applicant based on the specific outcome of the project.

C. 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).

D. 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 (potable water, sewer, or streets) consisting of an activity which may be supported by auxiliary activities. Examples of auxiliary activities are drainage improvements undertaken in conjunction with street improvements, the acquisition of land upon which a wastewater treatment plant will be constructed, and the installation of service connections for a new water system. The Office of Community Development will make the final determination as to the classification of the application.

E. Funding Process

After all rating points have been assigned for full applications meeting the past performance threshold criteria described under IV.G.1., a combined final public facilities ranking list will be produced including all public facilities applications that are being considered for the FY 2022 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 2022 program year, a minimum of fourteen million dollars of the total allocation will be used to fund eligible water and sewer applications. Once that threshold is met, the remaining funds will be used to fund the next-highest-scoring eligible applications until no additional funds remain. The same process will be used to award funds under the FY 2023 program year, only including applications from applicants invited to apply for funding under the FY 2023 program year after ranking of project severity scores of those meeting past performance threshold criteria.

F. 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 not be funded.

The State has established a funding ceiling of \$1.2 million for sewer treatment grants, \$1,000,000 for new sewer grants, \$1,000,000 for sewer rehabilitation grants, \$1,000,000 for potable water grants, and \$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 \$2,000,000 for water and sewer grants, and \$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.

The multi-jurisdictional applicants' total request for funds cannot exceed the lesser amount of (a) the combined ceiling amount for each local government participating in the application or (b) \$2.2 million. For example, a parish and three municipalities within that parish may apply for the development of a regional wastewater treatment system. In that example, four local governments x the maximum ceiling amount for the type of project (\$1.2 million for wastewater treatment plants) would amount to \$4.8 million; however, only \$2.2 million may be requested in the multi-jurisdictional application. If the application involves one parish and one municipality for a regional potable water system (two local governments x the maximum ceiling amount of \$1,000,000 for a potable water system equals \$2 million); therefore, no more than \$2 million could be requested.

2. Administrative and Pre-Agreement Costs

Administrative and pre-agreement costs are not eligible under the FY 2022 – FY 2023 Public Facilities program.

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.

G. 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 2022 and FY 2023 Public Facilities program will be made on July 30, 2021 and July 29, 2022, respectively.

In order to be eligible to receive a public facilities grant award under the FY 2022 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 have been conditionally closed out.

Exceptions: For the following previously funded recipients, the State will, at its own discretion and on a case-by-case basis, make a determination on the recipient's performance. If the State makes the determination that the recipient has performed adequately, the State may deem that recipient also eligible for FY 2022 funding.

- Economic Development – FY 2021 Program
- Demonstrated Needs – FY 2021 Program
- SWMC Planning Grant – FY 2020, FY 2021 Programs
- Clearance Program – FY 2019 Program

- 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.

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 have been conditionally closed out.

Exceptions: For the following previously funded recipients, the State will, at its own discretion and on a case-by-case basis, make a determination on the recipient's performance. If the State makes the determination that the recipient has performed adequately, the State may deem that recipient also eligible for FY 2023 funding.

- Economic Development – FY 2021, FY 2022 Programs
 - Demonstrated Needs – FY 2021, FY 2022 Programs
 - SWMC Planning Grant – FY 2020, FY 2021, FY 2022 Programs
 - Clearance – FY 2019, FY 2021 Programs
- 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.

For the FY 2022 program year, only those public facilities applications which are submitted by applicants who meet the threshold requirements and are invited to submit a full application will be rated and ranked. For the FY 2023 program year, the eligibility status of the public facilities applicants will be re-evaluated; at that time any applicants that are invited to submit a full application that are determined to be eligible for FY 2023 funding will be rated and ranked. If an applicant does not meet the threshold requirements for either program year, the applicant will not be included in the computation of the seventy percent of top project severity scores.

For the FY 2022 program year, 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 July 30, 2021, in order to be reviewed and considered for closeout by the threshold determination date of July 30, 2021. Therefore, the deadline for receipt of the closeout documents is July 23, 2021. The clear lien certificate must be submitted by the performance and threshold determination date of July 30, 2021. 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 July 30,

2021. Therefore, the monitoring must occur on or before June 15, 2021 in order to be considered for meeting threshold requirements as of July 30, 2021. 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 July 30, 2021.

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

All local governments participating in a funded multi-jurisdictional application will not be able to receive future public facilities grants until the multi-jurisdictional grant has been conditionally closed out.

The State may announce some FY 2022 awards and issue “authorizations to incur costs” for those awards prior to receiving funds from HUD for the FY 2022 funding year. Those issuances will be contingent upon the State’s receipt of FY 2022 LCDBG funds from HUD.

V. 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. 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 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 2022 and 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 applications submitted for public facilities projects will be rated according to the following criteria established. Only those local governments that submit a project severity package, meet the FY 2022 threshold requirements, are within the top seventy percent of project severity scores of the submissions that meet FY 2022 threshold requirements, and submit a full application upon invitation within established deadlines will be rated/ranked for the FY 2022 program.

PUBLIC FACILITIES - WATER, SEWER, STREETS (Maximum of 73 Points)

After all rating points have been assigned, a combined final public facilities ranking list will be produced including all public facilities applications that are being considered for the FY 2022 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 same process will be used to award funds under the FY 2023 program year, only including applications that are being considered for funding under the FY 2023 program year.

The maximum points available for all PF categories (sewer, water, and streets) is 73.

a) Benefit to Low/Moderate Income Persons (Maximum Possible Points - 1)

For those water and sewer applications that are classified as community/system-wide, for rating purposes and reporting purposes, the beneficiaries of the project will be considered as all of the persons living within the boundaries of the local government and/or those persons served by the utility system. For those applications 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. For those applications that involve both target area activities and community/system-wide activities, but which do not meet the LCDBG definition of community/system-wide for rating purposes, the target area data will be used for rating purposes and the community/system-wide data will be used for reporting purposes. Regardless of the application's classification, projects that involve different beneficiaries for different activities must specifically identify the beneficiary data for each activity.

For street projects, 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.

One point will be assigned to those applications/projects where the percentage of low/moderate income persons benefiting is sixty percent or more. No point will be

assigned for applications/projects benefiting less than sixty percent low/moderate income persons.

b) Cost Effectiveness (Maximum Possible Points - 10)

The cost per person benefiting will be calculated for each project. All applications will be categorized by the type of project being proposed (new sewer systems primarily for collection, rehabilitation of sewer systems primarily for collection, sewer treatment, and potable water, streets, and other). Each sewer application will fall into one of three subcategories for the purpose of rating. If the construction cost for new sewer system improvements is equal to or greater than seventy percent of the total construction cost, the application will be assigned to the “New Sewer System” subcategory. If the construction cost for new sewer system improvements is less than seventy percent of the total construction cost or no new sewer system improvements are proposed, then the application will be assigned to either the “Sewer System Rehabilitation” subcategory or the “Sewer Treatment” subcategory. If the construction cost of the sewer system rehabilitation is equal to or greater than the treatment plant improvements, then the application will be assigned to the “Sewer System Rehabilitation” subcategory; otherwise it will be assigned to the “Sewer Treatment” subcategory.

Each project category will then 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 ten 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:

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

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.

The cost effectiveness points assigned to the FY 2022 applications will be based upon those applications that meet the threshold requirements for FY 2022 funding eligibility and submit a full application upon invitation. Therefore, the cost effectiveness points assigned an applicant under the FY 2023 program will most likely differ from those points assigned to the same applicant under the FY 2022 program. When determining the cost effectiveness points for the FY 2023 applications, the applications that were funded during the FY 2022 program year will not be taken into consideration.

c) Project Severity (Maximum Possible Points – 50)

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. Priority will be given to wastewater systems, water systems addressing potable water, and street projects.

In assigning points for project severity, the following general criteria will be utilized by the Office of Community Development for the type of project proposed.

Wastewater systems and water systems addressing potable water needs: the existence of conditions in violation of the provisions of the State Sanitary Code that most directly protect public health and the adequacy of the proposed improvements to eliminate such conditions. Compliance with federal and state laws and regulations will be considered.

Verification of existing conditions will be provided by LDH and/or DEQ based on records or field investigations. Problems that are generally attributable to a lack of routine maintenance will result in a less favorable evaluation.

The specific details of the existing problems and proposed project must be provided so that the project can be assessed properly. A lower assessment of the project could result due to the submittal of incomplete or inaccurate information; in those instances, the assigned score will not be re-evaluated.

Scores for project severity are generally based upon the proposed actions in the following tables assuming that the proposed actions will completely remedy the existing problem. If an application contains multiple actions, each action will be scored and the severity score will be pro-rated accordingly. Generally, scores will begin at the lower part of the range and will increase if evidence is presented that illustrates a more severe existing condition. If existing conditions as stated in the severity package are unsubstantiated or not in violation of any state or federal standard, the OCD reserves the right to assign severity scores below the minimum scores shown in the point ranges as shown below.

Project Severity Criteria for Wastewater Applications

PROPOSED ACTION	POINT RANGE
<i>COLLECTION</i>	
Replace or rehabilitate collection system components.	10-50
<i>EXISTING TREATMENT FACILITY</i>	
Replace or upgrade existing facility to meet capacity and or discharge requirements.	15-50
<i>SYSTEM</i>	
New collection system to provide service for un-served areas.	35-50
Replace or rehabilitate various components when minimum requirements have been met.	0-50

Project Severity Criteria for Potable Water Applications

PROPOSED ACTION	POINT RANGE
<i>SOURCE and SUPPLY</i>	
Replace or Rehabilitate source to meet existing demands.	15-50
<i>DISTRIBUTION</i>	
Replace or Rehabilitate Distribution due to pressure or MCL violations.	20-50
<i>STORAGE</i>	
New or Rehabilitate facility when existing capacity is not capable of meeting current requirements.	15-50
<i>TREATMENT</i>	
Replace or upgrade facility due to existing demand to meet primary drinking water standards.	20-50
<i>SYSTEM</i>	
New water system or extension of existing system to un-served areas.	35-50
Replace or rehabilitate various components when minimum requirements have been met.	0-50

MCL – Maximum Contaminant Level
as established by the U.S. Environmental Protection Agency.

(a)	(b)	(c)	(d)	(e)	(f)
Street	Length (feet)	Width (feet)	Area (square feet)	Condition Rating	(d) x (e)
Elm Street	1,000	18	18,000	70	1,260,000
Oak Street	1,200	20	24,000	78	1,872,000
Ash Street	800	16	12,800	80	1,024,000
Cedar Street	800	18	14,400	74	1,065,600
Pecan Street	900	20	18,000	62	1,116,000
TOTALS			87,200		6,337,600

Residential Street construction, rehabilitation, or reconstruction: existing surface conditions and deficiencies, and surface area measurements. Each street being applied for will be inspected on-site by the Office of Community Development and will be given a condition rating ranging from 0 to 100. Unpaved streets will receive a minimum condition rating of 70. A weighted average will be determined by multiplying a particular street's condition 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 following example illustrates how this will be accomplished.

$$\text{Weighted condition rating} = 6,337,600/87,200 = 72.68$$

Points for project severity will be determined by dividing the weighted condition rating by 2. A maximum of 50 points will be awarded for project severity on street projects. For the above example the project severity score would equal $72.68/2 = 36.31$ points which will be rounded to 36.3 points.

d) 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.

e) Consolidation of Systems (Maximum possible points – 4)

If the proposed project includes the consolidation of two existing water or sewer systems into one larger system, four points will be assigned to the applicant. To be considered a consolidation, one or more of the water or sewer systems must be dissolved and be fully

absorbed into the larger system. The larger system must own, operate and maintain all other systems in the consolidation grant.

Purchase only systems are not considered a consolidation.

Note: If funded, the grantee will be required to do the following in order to closeout the project and remain in good standing with the LCDBG program:

- For water systems, the system that is dissolved must have their PWS ID removed from the LDH database.
- For sewer systems, the system that is dissolved must contact DEQ and have their Discharge Permit cancelled.

All applicants with proposed projects that include the consolidation of systems must request a meeting with the OCD prior to submitting the project severity package. OCD will make the final decision in determining the correct applicant and verify that the project is considered a consolidation. The form included in this package must be submitted to OCD to request a meeting. After the meeting, OCD will provide a copy to the applicant identifying whether the project qualifies for these points.

f) 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.

g) Resiliency – (Maximum possible points – 2)

Resilience is the ability to prepare and plan for, absorb, respond, recover from and more successfully adapt to adverse events. Applications that include a resiliency plan as a separate attachment to the project description and specific item(s) of improvements are included on the cost estimate that coincide with item(s) identified in the resiliency plan receive two points.

Currently, there are no state or nationwide standards for resilient infrastructure that is widely recognized by engineering or public works professionals. An effective resiliency plan must integrate issues across the physical and logical (also known as digital) domains. For example, most recent cyberattacks are described as ‘blended’ attacks meaning they exploited vulnerabilities both in the physical and digital domains. The same systems approach also applies to major weather events such as hurricanes. One of the major issues following hurricanes is to restore power and to restart critical infrastructure. One consideration is to determine how significantly the infrastructure would be affected and the degree to which disruptions to services may impact the community.

The engineer, with input from local officials, should develop local standards or guidelines that can be applied to infrastructure projects and increase resilience. Guidelines should be based on selecting probable scenarios that could impact the system within the design lifespan of a project. FEMA, NOAA, USACE, various state agencies and local officials can provide data to aid the engineer in preparing resiliency options. NOAA has developed a

U.S. Climate Resilience Toolkit to share case studies, tools and information to help communities and engineers create guidelines (<https://toolkit.climate.gov>).

With broad agreement that spending on resilience protection is an investment, infrastructure owners must first identify and prioritize their critical assets and essential functions. This is crucial to ensuring the limited resources are being spent to protect the highest priority assets and processes. Priorities must also include the most probable scenarios that will occur and affect critical infrastructure. In Louisiana, resiliency plans should include extreme weather events and the effect of water and wind damage to critical infrastructure. The resiliency plan should also consider what must be done during and after an extreme weather event to maintain operating capabilities of critical infrastructure.

The proposed resiliency plan should be included as a separate attachment to the Project Description in the application and should contain the following:

- A list of improvements to the infrastructure.
- The effects of extreme weather that will be offset due to the implementation of the resiliency plan.
- A list of any historical information where extreme weather has been detrimental to the infrastructure or where extreme weather has damaged operating capabilities of the infrastructure.

Components of the resiliency plan that will be addressed in the proposed project must be separated and clearly identified in the cost estimate. Cost of resiliency plan components will not be included in the Cost Effectiveness calculation.

h) Past performance – (Maximum possible points – 2)

Applicants will receive two points unless one or more of the following is applicable when reviewing the past performance of any grants funded to the applicant during the 2016-2021 LCDBG program years:

- A second contract or contract extension was required in order to complete and/or closeout the grant.
- Penalties were assessed at any point during the grant due to failure to meet a required benchmark.
- Finding of deficiency identified as “very serious” issued during the grant.

After all rating points have been assigned, a combined final public facilities ranking list will be produced including all public facilities applications that are being considered for the FY 2022 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 as described in Section IV.E.

- C. 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.

D. Submission Requirements

Public Facilities applications for FY 2022 – 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 project severity package and the application packages for each respective program.

Only that data received by the deadlines established for public facilities project severity and 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 project severity package must be received not merely postmarked by the deadline established by the Office of Community Development.
- b) The project severity package must be complete. If the Office of Community Development determines during the review that the project severity package did not contain items necessary to score the package or did not include all required forms, the project severity package may be removed from further consideration and may not be invited to submit a full application to be considered.
- c) Project severity packages that are scored within the top seventy percent of the applicants that meet past performance threshold requirements will be invited to submit a full application. The application must be received in office by the deadline established by the Office of Community Development.
- d) 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.
- e) The funds requested must meet the minimum construction requirement and must not exceed the ceiling amounts established by the Office of Community Development.

- f) Following the review of all applications, the Office of Community Development will notify the applicant of the actions taken with regard to its application.
- g) 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.

h) 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) For projects involving new utility systems, at least 25% of the households surveyed respond no to the required question regarding the monthly user fee.
- 6) 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.
- 7) The application does not score high enough to be above the funding line.
- 8) The applicant is on the State of Louisiana's Legislative Auditor's Non-Compliance List ten business days prior to the date of award.

- 9) 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.

VI. 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.

VII. 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.E., 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 2022 Consolidated Annual Action Plan by HUD and are to remain in force until they are amended or rescinded.