

Proposed Substantial Amendments to the FY 2020-2024 Consolidated Plan and FY 2020 - 2023 Annual Action Plans

In accordance with 24 CFR 91.505 and the State of Louisiana Citizen Participation Plan, the Office of Community Development-Local Government Assistance (OCD-LGA) proposes the following substantial amendments to the FY 2020-2024 Consolidated Plan and the FY 2020-2023 Annual Action Plans.

Summary

This amendment proposes to include the Clearance Program with a \$6 million dollar allocation to the FY 2023 action plan. The Clearance Program will award grants to eligible applicants for clearance/demolition activities based on a competitive selection process to the extent that the funds are available. 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. 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.

This amendment also proposes to allow the Office of Community Development to use remaining balances from FY 2020-2023 program years to award additional funds due to increased costs caused by COVID-19 to FY 2020 and FY 2021 Public Facilities grants and CDBG-CV HVAC grants.

FY 2020-2024 Consolidated Plan

The following sections of the FY 2020-2024 Consolidated Plan of the State of Louisiana have been amended:

SP-25 Priority Needs

LCDBG: The Clearance Program will award grants to eligible applicants for clearance/demolition activities based on a competitive selection process to the extent that the funds are available.

SP-45 Goals Summary

Add the Clearance Program to narrative under CDBG.

FY 2023 Annual Action Plan

The following sections of the Annual Action Plan and Method of Distribution have been amended:

AP-05 Executive Summary

97% to 71%

f) prioritization of clearance and demolition projects

AP-10 Consultation

f) prioritization of clearance and demolition projects

AP-12 Participation

(Each part)

f) prioritization of clearance and demolition projects

AP-15 Expected Resources

The CDBG column will be revised to include the Clearance Program in the narrative description column of the priority table.

AP-20 Annual Goals and Objectives

Demolition/Clearance of property will be added in this section.

AP-25 Allocation Priorities

Demolition/Clearance will be added as an allocation priority. \$6 million will be set allocated for clearance and demolition.

AP-35 Projects

This section will be amended to include the awardees of Clearance Program grants.

AP-30 Distribution Methods

This section refers to the Method of Distribution document available on the Office of Community Development's website at <https://www.doa.la.gov/doa/ocd-lga/lcdbg-programs/lcdbg-plans-and-reports/2020-2024/>. Changes to this section are shown below.

Method of Distribution

III. Distribution of Funds

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 and Sewer Management Consolidation (SWSMC) Planning Grant program. \$6,000,000 will be allocated to the Clearance Program for the clearance, demolition, and the removal of residential or commercial structures found to be detrimental to or endangering public safety, health, or welfare throughout the state. Public Facilities applications will be funded with the remaining LCDBG funds.

(Added to Allocation Chart) Clearance Program \$6,000,000

IV. Redistribution of Funds

With the following exceptions and stipulations identified, the monies as defined above will be placed in the current program year's public facilities category or used to award additional funds to previously funded FY 2020/ FY 2021 public facilities or CDBG-CV HVAC projects in order to complete those projects that may have a shortfall due to the increased costs associated with COVID-19.

XI. 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, Hammond, 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

1. 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/ocd-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

1. 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 July 13, 2023.

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

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.

Audit and monitoring findings made by the State or HUD have been cleared.

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.

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.

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

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 July 13, 2023, in order to be reviewed and considered for closeout by the threshold determination date of July 13, 2023. Therefore, the deadline for receipt of the closeout documents is July 6, 2023. The clear lien certificate must be submitted by the performance and threshold determination date of July 13, 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 July 13, 2023. Therefore, the monitoring must occur on or before May 30, 2023 in order to be considered for meeting threshold requirements as of July 13, 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 July 13, 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.

V. 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 114 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 114.

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) 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.

c) Legal Fees (Maximum Possible Points - 2)

Those applicants who agree to pay all legal fees that are incurred during the preparation and/or implementation of this program will receive two points.

To substantiate that the local government will pay the legal fees associated with the LCDBG Program, this form must be completed and signed by the chief elected official. A copy of the resolution passed by the local government stating that local funds will be used to pay the legal fees incurred by the local government.

The applicant will not receive these points if the required information is not included in the application. For those applicants that receive the points for paying legal fees and are successful in receiving a grant and have an under-run in their project costs, the grantee will not be allowed to re-budget those monies for the purpose of reimbursing the local government for any legal fees associated with the LCDBG Program.

d) 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.

1. 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 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.
- 8) The unit of general local government is on the list of sanctioned communities that is maintained by the Office of Community Development.
- 9) Persons wishing to object to the approval of an application by the State may make such objection known to the OCD-LGA. The State will consider objections made only on the following grounds:
- 10) The applicant's description of needs and objectives is plainly inconsistent with available facts and data;

- 11) The activities to be undertaken are plainly inappropriate in meeting the needs and objectives identified by the applicant; and
- 12) The application does not comply with the requirements set forth in the FY 2023 proposed Consolidated Annual Action Plan or other applicable laws.
- 13) All complaints of this nature must be submitted to the OCD-LGA in writing. Such complaints must specifically identify the grounds upon which the complaint is being made. All objections must be supported by data to document the allegation.
- 14) Questions concerning forms or instructions should be directed to the OCD-LGA at (225) 342-7412. Louisiana Relay Service is available for hearing impaired persons by using the following numbers: 7-1-1 (Hamilton Relay); 1-800-846-5277 (TTY); 1-800-947-5277 (Voice).