



**State of Louisiana**  
DIVISION OF ADMINISTRATION  
OFFICE OF COMMUNITY DEVELOPMENT

MEMORANDUM

**TO:** Parties Interested in LCDBG Programs  
**FROM:** Carol M. Newton *CMN by JT*  
**DATE:** June 16, 2009  
**RE:** Proposed Substantial Amendment to the FY 2008 Consolidated Annual Action Plan

The State of Louisiana/Division of Administration/Office of Community Development proposes to amend its FY 2008 Consolidated Annual Action Plan. The purpose of that amendment is to include provisions for a supplemental appropriation of \$7,474,898 in Community Development Block Grant (CDBG) funds which the State will receive under the American Recovery and Reinvestment Act of 2009 (Recovery Act). Such funds are being provided to the State to carry out, on an expedited basis, eligible activities under the CDBG Program and will be used to stimulate the economy through measures that modernize the Nation's infrastructure, improve energy efficiency, and expand educational opportunities and access to health care. The supplemental appropriation is commonly referred to as the CDBG Recovery (CDBG-R) Program.

The CDBG-R funds will be used, to the extent that monies are available, to fund FY 2008 street applications which fell below the funding line for that activity. It is anticipated that there will be insufficient CDBG-R funds available to completely fund the last application which is in a position to be funded in accordance with those procedures; if so, recaptured/returned monies available under the FY 2009 LCDBG Program will be utilized to supplement the CDBG-R funds in order to completely fund that one particular application. A listing of the local governments which will be in a position to receive the CDBG-R funds is included in the substantial amendment.

To expedite the process and to insure that the CDBG-R grants are awarded in a timely manner, the U. S. Department of Housing and Urban Development (HUD) has approved a seven day comment period in lieu of the usual thirty day comment period. A copy of the substantial amendment which must be submitted to HUD by June 29, 2009, will be available on our website for viewing at <http://www.doa.louisiana.gov/cdbg/cdbgHOME.htm> on or before June 16, 2009. Non-English speaking persons and persons with disabilities who may not have access to a copy of the proposed amendment should contact the Office of Community Development at (225) 342-7412 or LA Relay Service Info at 1-888-699-6869.

Written comments on the proposed amendment may be submitted beginning June 16, 2009, and will be accepted until June 23, 2009. Comments on the proposed amendment may be mailed to the Office of Community Development, Post Office Box 94095, Baton Rouge, Louisiana 70804-9095, faxed to (225) 342-1947, or emailed to [dotty.tapscott@la.gov](mailto:dotty.tapscott@la.gov)

Since not all citizens have internet access, we would appreciate it if you would assist us by making copies of the substantial amendment available in public places such as in your local governmental buildings or in the local libraries.

If you have any questions, please contact our office.

CMN/DT

# THE CDBG-R SUBSTANTIAL AMENDMENT

Jurisdiction(s): State of Louisiana/Division of Administration/Office of Community Development	CDBG-R Contact Person: Carol Newton Address: P O Box 94095 Baton Rouge, LA 70804-9095 Telephone: (225) 342-7412 Fax: (225) 342-1947 Email: carol.newton@la.gov
Jurisdiction Web Address: <a href="http://www.doa.louisiana.gov/cdbg/cdbgHome.htm">http://www.doa.louisiana.gov/cdbg/cdbgHome.htm</a>	

## *ENSURING RESPONSIBLE SPENDING OF RECOVERY ACT FUNDS*

The State of Louisiana/Division of Administration/Office of Community Development will amend the FY 2008 Consolidated Annual Action Plan. The purpose of this amendment is to include provisions for a supplemental appropriation of \$7,474,898 in Community Development Block Grant (CDBG) funds which the State will receive under the American Recovery and Reinvestment Act of 2009 (Recovery Act). Such funds are being provided to the State to carry out, on an expedited basis, eligible activities under the CDBG Program and will be used to stimulate the economy through measures that modernize the Nation's infrastructure, improve energy efficiency, and expand educational opportunities and access to health care. The supplemental appropriation is commonly referred to as the CDBG Recovery (CDBG-R) Program.

The CDBG-R funds will be used, to the extent that monies are available, to fund FY 2008 street applications which fell below the funding line for that activity. It is anticipated that there will be insufficient CDBG-R funds available to completely fund the last application which is in a position to be funded in accordance with those procedures; if so, recaptured/returned monies available under the FY 2009 LCDBG Program will be utilized to supplement the CDBG-R funds in order to completely fund that one particular application.

### *A. SPREADSHEET FOR REPORTING PROPOSED CDBG-R ACTIVITIES*

Additional information regarding the CDBG-R assisted activities is provided on the attached spreadsheet entitled Activity Data Spreadsheet; an electronic version of that spreadsheet is also being transmitted to HUD.

This spreadsheet identifies the two activities (public facilities -streets and administration) that will be funded under the CDBG-R Program.

**Streets:** In March of 2007, the Office of Community Development mailed a survey form to all potential applicants for Louisiana CDBG funds throughout the State; this involved three hundred and forty-five local governing bodies. The primary purpose of that survey was to gather information regarding the communities' and parishes' priorities and perceived needs as related to the Louisiana CDBG Program. Responses were received from one hundred and forty-seven

local governing bodies. Public facilities ranked overwhelmingly as the top priority. Within the realm of specific types of public facilities projects, streets ranked first.

Therefore, the funding of eighteen additional street projects with CDBG-R monies is in full accord with the priority needs and objectives of the Consolidated Plan for FY 2005 – FY 2009, the Consolidated Annual Action Plan for FY 2008, and the Consolidated Annual Action Plan for FY 2009. With the CDBG-R funds and other funds identified on the Activity Data spreadsheet, all of the applications which ranked below the FY 2008 funding line will now be funded. The only reason these applications were not funded under the FY 2008 CDBG Program was due to insufficient funds in that public facilities category.

As shown on the Activity Data Spreadsheet, \$6,895,098 in CDBG-R funds and \$711,994 in other leveraged funding are budgeted for the local street improvements for a total activity budget of \$7,607,092. The other leveraged funding includes previously awarded CDBG funds that have been recaptured or returned to the State and/or local funds commitments which will be used to pay for a portion of the actual construction costs and/or engineering fees.

**Program Administration Costs:** As is also identified on the Activity Data Spreadsheet, \$579,800 in CDBG-R funds and \$305,700 in other leveraged funding for administrative costs are budgeted for program administration for a total activity budget of \$885,500. The State has budgeted \$200,000 in CDBG-R funds for its cost of administering the CDBG-R Program and has budgeted \$379,800 in CDBG-R monies and \$305,700 in local funds commitments for a total of \$685,500 available for program at the local level.

In accordance with the federal regulations governing the CDBG-R Program, up to ten percent of the CDBG-R funds may be used for general administration and planning activities. As is shown on the Activity Data Spreadsheet, a total of \$579,800 is budgeted for administration costs on both the State and local level; that amounts to 7.76 percent of the State's total grant award which is less than the maximum allowable.

The table entitled Proposed Subrecipients: FY 2008 CDBG-R Funds (Louisiana) identifies the proposed units of general local government which will receive CDBG-R funds. That table also identifies the source and use of the CDBG-R and other funds which will be utilized/budgeted for the completion of the street projects.

No CDBG-R funds will be expended for the activity of public services.

#### ***B. CDBG-R INFORMATION BY ACTIVITY***

- (1) **Streets:** – It has been determined by the Office of Community Development that street applications which were submitted for FY 2008 CDBG funds, but were not funded due to an insufficient amount of FY 2008 CDBG funds, would be best able to meet the requirement of accepting bids and awarding contracts within 120 days of the execution of the State's CDBG-R grant agreement with HUD. There are no known obstacles which would hamper a speedy completion of these projects.

These applications were fully rated upon submittal and were determined as being qualified for funds based on eligibility requirements and national objective criteria. Each of the eighteen applications that will be funded with CDBG –R funds will meet the national objective criteria of principal benefit to low and moderate income persons; this is documented by census data or local survey data. Federal regulations require that no less than 70 percent of the aggregate of fund expenditures shall be for activities that benefit low and moderate income persons. The State will exceed this percentage as 100 percent of the non-administrative funds awarded will be used for activities that will benefit low and moderate income persons.

**Program Administration Costs:** It is anticipated that the subrecipients will generally expend the administrative funds at the same rate as the construction costs. Again, there are no anticipated obstacles which would hamper the program administration of the selected projects.

(2) Activity Narrative:

**Streets:** One of the most basic services provided by a local, state, and/or federal government is a reliable transportation system. The key component of a reliable transportation system is a good quality roadway network. The proposed roadway projects enable the rehabilitation of the local roadway network that could not be adequately improved with the limited resources of the local government.

The CDBG-R funds will be used in a manner that maximizes job creation and economic benefit in relation to the CDBG-R funds obligated and will address the Recovery Act by:

**Preserving and creating jobs and promoting economic recovery –** Roadway improvement projects impact the economy by providing job creation and retention in the construction field. This may enable some contractors to keep their businesses in operation and also assist the employees of those contractors who may be in danger of losing their jobs and/or of being unable to find employment elsewhere. Laborers to skilled machinery operators are utilized in the construction of roadway projects. Subsequent job preservation and economic recovery goes beyond the direct construction labor. The subsequent economic benefits include engineering design and construction administration personnel, suppliers and manufacturers of roadway material and equipment suppliers;

**Assisting those most impacted by the recession –** The most impacted by the recession are the low to moderate income people that our program is designed to assist. Also, with roadway construction, the majority of hires are unskilled labor. The unskilled labor force are the most impacted by the recession and will be most benefitted by public works construction contracts.

**Investing in transportation, environmental protection, or other infrastructure that will provide long-term economic benefits –** The direct investment in transportation starts with improving the roadway infrastructure of a community. Improved infrastructure has always been the first start of economic development in a community.

**Administration:** The fees paid to the administrative consultants may also enable those firms to create new jobs or assure the continued employment of persons already employed.

(3) Jobs Created:

It is estimated that the construction activity created by these street projects will create nine fulltime jobs and will retain sixty-nine part-time jobs.

(4) Additional Activity Information:

These street improvements will maximize the use of gasoline fuel since it will take less energy to travel on a smooth surface.

(5) Responsible Organization:

Please refer to the chart entitled Proposed Subrecipients: FY 2008 CDBG-R Funds (Louisiana) for the name of each proposed local government that will receive a grant under the CDBG-R Program as well as the name and telephone number of the administrative consultant who will be assisting each local government in the implementation of the CDBG-R Program. The engineering firms and administrative consulting firms were procured in accordance with the CDBG Program requirements during the application preparation stage.

***C. PUBLIC COMMENTS***

A summary of any comments received and the responses to those comments will be entered here following the end of the comment period and at the time of submission of the substantial amendment to HUD.

CDBG-R - State of Louisiana  
Activity Data Spreadsheet

Jurisdiction/Grantee Name:		CDBG-R Formula Grant Amount:		Date:			
Activity Name	Activity Description	Eligibility (Regulatory or HCDA Citation)	National Objective Citation	CDBG-R Project Budget (\$)	Additional Recovery Funds (\$)	Other Leveraged Funding (\$)	Total Activity Budget
PUBLIC FACILITIES	Street construction, rehabilitation, or reconstruction in eighteen units of general local government	SEC 105(a)(2)	24CFR570.483(b)	\$6,895,098	\$0	\$711,994	7,607,092
ADMINISTRATION	Program Administration Costs	SEC105(a)(13)	24CFR570.206	\$579,800	\$0	\$305,700	885,500
	State		24CFR570.206	\$200,000	\$0	\$0	200,000
	Local Governments		24CFR570.483(f)	\$379,800	\$0	\$305,700	685,500
<b>TOTAL</b>				<b>\$7,474,898</b>	<b>\$0</b>	<b>\$1,017,694</b>	<b>8,492,592</b>
							0
							0
							0

**Proposed Subrecipients: FY 2008 CDBG-R Funds (Louisiana)**

<b>Name of Subrecipient</b>	<b>Program Administrator</b>	<b>Location</b>	<b>CDBG-R Project Budget</b>	<b>Recaptured/ Returned Funds</b>	<b>Other Leveraged Funds</b>	<b>Total Budget</b>
<b>Colfax</b>	Pan American Engineers-Alexandria	CT 203				
Streets	318-473-2100		548,700.00			548,700.00
Administration					38,700.00	38,700.00
<b>Total</b>			<b>548,700.00</b>		<b>38,700.00</b>	<b>587,400.00</b>
<b>Collinston</b>	Waxmans III	CT 9507				
Streets	318-387-9225		112,007.00			112,007.00
Administration			37,900.00			37,900.00
<b>Total</b>			<b>149,907.00</b>			<b>149,907.00</b>
<b>Columbia</b>	Kendall Magee	CT 9902				
Streets	318-640-1520		467,968.00			467,968.00
Administration			37,900.00			37,900.00
<b>Total</b>			<b>505,868.00</b>			<b>505,868.00</b>
<b>Dry Prong</b>	Pan American Engineers-Alexandria	CT 020401				
Streets	318-899-1018		270,100.00			270,100.00
Administration					38,700.00	38,700.00
<b>Total</b>			<b>270,100.00</b>		<b>38,700.00</b>	<b>308,800.00</b>
<b>Estherwood</b>	Mader Engineering	CT 980600				
Streets	318-343-8808		265,100.00			265,100.00
Administration			37,900.00			37,900.00
<b>Total</b>			<b>303,000.00</b>			<b>303,000.00</b>
<b>Fisher</b>	GNF Management	CT 980600				
Streets	337-783-0596		554,726.00			554,726.00
Administration			37,900.00			37,900.00
<b>Total</b>			<b>592,626.00</b>			<b>592,626.00</b>
<b>Hall Summit</b>	Waxmans III	CT 9601				
Streets	318-387-9225		164,516.00			164,516.00
Administration			37,900.00			37,900.00
<b>Total</b>			<b>202,416.00</b>			<b>202,416.00</b>
<b>Harrisonburg</b>	Oliver Schulz	CT 9801				
Streets	318-332-1008		338,350.00			338,350.00
Administration			37,900.00			37,900.00
<b>Total</b>			<b>376,250.00</b>			<b>376,250.00</b>
<b>Madison Parish</b>	Kendall Magee	CT 9601				
Streets	318-640-1520		217,770.00			217,770.00
Administration			37,900.00			37,900.00
<b>Total</b>			<b>255,670.00</b>			<b>255,670.00</b>

**Proposed Subrecipients: FY 2008 CDBG-R Funds (Louisiana)**

<b>Morehouse Parish</b>	Oliver Schulz	CT 9508				
Streets	318-332-1008		559,480.00			559,480.00
Administration			37,900.00			37,900.00
<b>Total</b>			<b>597,380.00</b>			<b>597,380.00</b>
<b>Morse</b>	Mader Engineering	CT 961100				
Streets	337-989-8047		421,165.00			421,165.00
Administration				37,900.00		37,900.00
<b>Total</b>			<b>421,165.00</b>	<b>37,900.00</b>		<b>459,065.00</b>
<b>New Llano</b>	Pan American Engineers-Alexandria	CT 9505				
Streets	318-899-1018		525,200.00			525,200.00
Administration				38,700.00		38,700.00
<b>Total</b>			<b>525,200.00</b>	<b>38,700.00</b>		<b>563,900.00</b>
<b>Quitman</b>	Ed Hannum	CT 9702				
Streets	318-323-8186		284,210.00			284,210.00
Administration			37,900.00			37,900.00
<b>Total</b>			<b>322,110.00</b>			<b>322,110.00</b>
<b>St. James Parish</b>	South Central Planning	CT 040400				
Streets	985-851-2900	CT 040600	600,000.00		78,700.00	678,700.00
Administration					36,400.00	36,400.00
<b>Total</b>			<b>600,000.00</b>		<b>115,100.00</b>	<b>715,100.00</b>
<b>St. John the Baptist Parish</b>	South Central Planning	CT 070700				
Streets	985-851-2900		564,000.00		61,500.00	625,500.00
Administration					38,700.00	38,700.00
<b>Total</b>			<b>564,000.00</b>		<b>100,200.00</b>	<b>664,200.00</b>
<b>St. John the Baptist Parish</b>	South Central Planning	CT 070600				
Streets	985-851-2900		548,000.00		60,000.00	608,000.00
Administration					38,700.00	38,700.00
<b>Total</b>			<b>548,000.00</b>		<b>98,700.00</b>	<b>646,700.00</b>
<b>St. Joseph</b>	Waxmans III	CT 9803				
Streets	318-387-9225		50,306.00	511,794.00		562,100.00
Administration				37,900.00		37,900.00
<b>Total</b>			<b>50,306.00</b>	<b>549,694.00</b>		<b>600,000.00</b>
<b>Tullos</b>	Pan American Engineers-Alexandria	CT 970300				
Streets	318-473-2100		403,500.00			403,500.00
Administration			38,700.00			38,700.00
<b>Total</b>			<b>442,200.00</b>			<b>442,200.00</b>
<b>TOTAL STREETS</b>			<b>6,895,098.00</b>	<b>511,794.00</b>	<b>200,200.00</b>	<b>7,607,092.00</b>
<b>TOTAL ADMINISTRATION</b>			<b>379,800.00</b>	<b>37,900.00</b>	<b>267,800.00</b>	<b>685,500.00</b>
<b>TOTAL FUNDS ALLOCATED</b>			<b>7,274,898.00</b>	<b>549,694.00</b>	<b>468,000.00</b>	<b>8,292,592.00</b>