

**Lafayette City-Parish
Consolidated Government**

**LCG-CDP Policy and
Information Manual for
Programs Using
HUD Entitlement Funding**

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Expires: This Manual is effective until it is amended, superseded, or rescinded

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**Please send any questions or comments regarding this document
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Contents

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM	1
ACTIVITIES BENEFITTING L/M INCOME PERSONS.....	1
ELIGIBLE ACTIVITIES	2
A. Housing Activities:	2
B. Human Services Activities:.....	2
C. Economic Development Activities:	3
D. Other Eligible Activities	3
INELIGIBLE ACTIVITIES	4
HOME INVESTMENT PARTNERSHIPS PROGRAM	6
PROGRAM OBJECTIVE	6
HOME ACTIVITIES	6
RESTRICTIONS ON APPLYING FOR FUNDS.....	8

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COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

BASIC REQUIREMENTS

In order to be eligible for funding, an activity must qualify by meeting one of the three national objectives of the CDBG program. This requires that each activity, except Planning and Program Administration, meet specific tests for either:

- Benefiting low and moderate (L/M) income persons,
- Aiding in the prevention or elimination of slums or blight, or
- 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.

ACTIVITIES BENEFITTING L/M INCOME PERSONS

A low and moderate (L/M) income person is defined as a member of a family having an income equal to or less than the Section 8 Housing Assistance Payments Program lower limit established by HUD.

Activities that benefit L/M income persons are divided into four categories:

1. An **area benefit activity** is an activity that meets the identified needs of L/M income persons residing in an area where at least 51% of the residents are L/M income persons. The benefits of this type of activity are available to all persons in the area regardless of income. Potentially eligible activities include street improvements, water and sewer lines, neighborhood facilities, and façade improvements in neighborhood commercial districts.
2. A **limited clientele activity** is an activity that benefits a specific group of people (rather than all of the residents in a particular area), at least 51% of whom are L/M persons. The following groups are presumed by HUD to meet this criterion: abused children, elderly persons, battered spouses, homeless persons, handicapped persons, and illiterate persons.
3. A **L/M housing activity** is an activity that adds to or improves permanent residential structures that will be occupied by L/M income households upon completion.
4. A **L/M jobs activity** is one that creates or retains permanent jobs, at least 51% of which are held by or available to L/M income persons.

ELIGIBLE ACTIVITIES

A. Housing Activities:

Housing Rehabilitation: Rehabilitation of any publicly or privately-owned residential property, including the conversion of non-residential property for housing.

Community Development and Planning's Housing Rehabilitation program is designed to repair owner-occupied single-family residences. Recipients receive a deferred payment loan plus labor furnished by a Community Development carpentry crew.

Relocation: Relocation assistance for permanently or temporarily relocated individuals, families, businesses, or non-profit organizations which occurs as a result of a CDBG-funded activity.

Community Development and Planning's relocation program provides for the maintenance of City-Parish-owned houses and rental units for relocating families during the rehabilitation process. Recipients are furnished with a temporary residence, including payment of all moving expenses and utilities at the relocation unit, during the rehabilitation of their home.

Clearance: Clearance, demolition, and removal of buildings and improvements, including the movement of structures to other sites.

Community Development and Planning's demolition program allows for the demolition of dilapidated houses, sheds, garages, carports and other hazardous structures to deter vandalism, promote safety, and to preserve the housing stock. Grants are available to all residents who meet the program's income requirements.

Construction of Housing: New housing construction may be undertaken under limited circumstances.

B. Human Services Activities:

Public Services: Provision of public services including those concerned with employment, crime prevention, child care, health, drug abuse, education, fair housing counseling, welfare (excluding the provision of income payments), homebuyer down payment assistance, energy conservation, or recreational needs. A public service must be either a new service, or a quantifiable increase in a service that has been provided by a unit of general local government. The amount of funds used for public services shall not exceed 15% of each grant plus program income.

Community Development and Planning's Human Services program provides housing counseling to potential and existing homeowners and renters, counseling to individuals with personal and family problems, provision of information and referral to appropriate community resources, and dissemination of information on Community Development activities.

C. Economic Development Activities:

Special Economic Development: The provision of assistance to for-profit businesses including loans, loan guarantees, grants, technical assistance and other forms of support where the assistance is necessary or appropriate to carry out an economic development project.

Special Activities by Community-Based Development Organizations: Neighborhood revitalization, economic development, or energy conservation activities carried out by a neighborhood-based non-profit organization, a Section 301(d) small business investment company, or a local development corporation.

D. Other Eligible Activities

Planning and Capacity Building: Activities including data gathering, studies, analysis and preparation of plans and the identification of actions to implement such plans. No more than 20% of the grant plus program income shall be expended for planning and program administration costs.

Program Administration Costs: Payment of reasonable administrative costs and carrying charges related to the planning and execution of community development activities assisted in whole or in part with CDBG funds. No more than 20% of the grant plus program income shall be expended for planning and program administrative costs.

Community Development and Planning utilizes CDBG funds for oversight, management, monitoring and coordination of its CDBG and HOME programs.

Acquisition: Acquisition, by purchase, long-term lease, donation, or otherwise, of real property for public use, except buildings or facilities used for the general conduct of business, general government expenses or political activities.

Disposition: Disposition, through sale, lease, donation, or otherwise, of real property acquired with CDBG funds or its retention for public purposes. Proceeds shall be program income subject to program income requirements.

Public Facilities and Improvements: Acquisition, construction, rehabilitation or installation of public facilities and improvements, except buildings or facilities used for general conduct of business, general government expenses or political activities. Such facilities include sidewalks; shelters for the homeless; convalescent homes; hospitals; nursing homes; domestic violence shelters; halfway houses for run-away children, drug offenders or parolees; group homes for persons living with developmental disabilities; and temporary housing for disaster victims.

Commercial or Industrial Rehabilitation: Rehabilitation of commercial or industrial buildings, provided such activity meets one of the national objectives.

Historic Preservation: Rehabilitation, preservation or restoration of historic properties.

Homeownership Assistance: CDBG funds may be used to provide direct homeownership assistance to low or moderate-income households.

Interim Assistance: Limited improvements to a deteriorating area as a prelude to permanent improvements or activities to eliminate emergency conditions.

Loss of Rental Income: Payments to housing owners for loss of rental income for temporarily holding housing units to be used for the relocation of individuals or families displaced by CDBG-funded activities.

Payment of Non-Federal Share: Payment of the non-Federal share required in connection with a Federal grant-in-aid program undertaken as a part of CDBG activities, provided that payments shall be limited to otherwise eligible activities.

Privately Owned Utilities: Funds may be used to acquire, construct, reconstruct, rehabilitate, or install utility distribution lines and facilities of privately-owned utilities.

Removal of Architectural Barriers: Special projects for the removal of material or architectural barriers that restrict the mobility and accessibility of persons who are elderly or living with a disability.

Technical Assistance: Provision of technical assistance to public or non-profit entities to increase the capacity of such entities to carry out eligible neighborhood revitalization or economic development activities.

Urban Renewal Completion: Payment of the cost of completing an urban renewal project funded under Title I of the Housing Act of 1949, as amended.

INELIGIBLE ACTIVITIES

The general rule is that an activity that is not authorized is ineligible for receiving CDBG funding assistance. The following activities may not be assisted with CDBG funds:

Buildings: Buildings or portions thereof, used for the general conduct of government cannot be assisted with CDBG funds. However, the removal of architectural barriers in such buildings is eligible.

General government expenses: Expenses required to carry out the regular responsibilities of the unit of general local government are not eligible for assistance.

Equipment: The purchase of equipment is generally ineligible. This includes the purchase of construction equipment and fire protection equipment.

Furnishings and personal property: The purchase of equipment, fixtures, motor vehicles, furnishings, or other personal property determined as not being an integral structural fixture is generally ineligible.

Income payments: The general rule is that CDBG funds shall not be used for income payments for housing or any other purpose. Payments of income maintenance, housing allowances, food, clothing or utilities are ineligible.

Political activities: CDBG funds shall not be used to finance the use of facilities or equipment for political purposes or to engage in other partisan political activities, such as candidate forums, voter transportation, or voter registration.

Operating and maintenance expenses: The general rule is that any expenses associated with repairing, operating or maintaining public facilities, improvements and services is ineligible. Specific exceptions are operating and maintenance expenses associated with public service activities, interim assistance, and office space for program staff employed in carrying out the CDBG program. Maintenance and repair of streets, parks, playgrounds, water and sewer facilities, neighborhood facilities, senior centers, centers for persons with disabilities, parking and similar public facilities are not eligible. CDBG funds may not be used for the filling of potholes in streets, repairing cracks in sidewalks, the mowing of recreational areas, or the replacement of expended street light bulbs. This also includes the payment of salaries for staff, utility costs and similar expenses necessary for the operation of public works and facilities.

HOME INVESTMENT PARTNERSHIPS PROGRAM

PROGRAM OBJECTIVE

The overall objective of the HOME Investment Partnerships (HOME) program is to strengthen public-private partnerships to provide more affordable housing.

The objectives of the HOME program are:

1. To expand the supply of decent, safe, sanitary, and affordable housing, with primary attention to rental housing, for low-income and moderate-income Americans.
2. To mobilize and strengthen the abilities of states and units of general local government to design and implement strategies for achieving an adequate supply of decent, safe, sanitary, and affordable housing; and
3. To provide to participating jurisdictions, on a coordinated basis, the various forms of Federal housing assistance needed to promote, develop and make available affordable housing.

HOME ACTIVITIES

Housing Rehabilitation: The rehabilitation of owner-occupied single-family residences will be accomplished through the use of deferred payment loans plus labor furnished by Community Development and Planning. Services other than carpentry are subcontracted when necessary. This program provides for the correction of all housing code violations, as well as the provision of cost-effective, energy-saving measures and any improvements that will aid clients with disabilities. Funds are also budgeted for asbestos abatement, lead-based paint reduction and sewer plant installation.

New Housing Construction: The construction of new single-family houses in distressed neighborhoods with the goal of spurring revitalization in those areas, and assisting low- and moderate-income residents in becoming homeowners.

Other Housing Activities (CHDO): A portion of HOME funds will be provided to one or more Community Housing Development Organizations (CHDO). CHDOs are non-profit organizations that have among their purposes the provision of decent housing that is affordable to low- and moderate-income persons. A CHDO must be organized under state or local laws, have no part of its net earnings inuring to the benefit of any member, founder, contributor or individual, and are neither controlled by, nor under the direction of, individuals or entities seeking to derive profit or gain from the organization. A CHDO must be a developer, owner or sponsor of its HOME-assisted housing, and have effective management control of its projects. Also, the CHDO must have a history of serving the community, have a demonstrated capacity for carrying out HOME-related activities, and maintain accountability to low-income community residents.

According to program guidelines, a minimum of fifteen percent (15%) of each year's HOME allocation must be used for housing to be developed, sponsored or owned by CHDOs. A CHDO must be committed to, and capable of, engaging in the development of affordable housing. The CHDO must also meet strict Federally-imposed limitations regarding its board composition and the role Community Development and Planning may play in directing the CHDO's operations, and is limited to homebuyers or tenant assistance programs.

RESTRICTIONS ON APPLYING FOR FUNDS

Through the Community Development and Planning Department

Any agency applying for funds through the Community Development and Planning Department must submit a completed application and any subsequently requested documents in order to be eligible for consideration.

The applicant must be a tax-exempt, non-profit agency with IRS 501(c)(3) status at the time of application.

The activity must be located in an identified Community Development and Planning Target Area or provide services primarily to low and moderate-income residents of the jurisdiction of Lafayette Consolidated Government.

Each applicant may apply for funds only once per funding cycle in each eligible category (i.e. housing, public facilities and improvements, public services, etc.).

Funds will not be provided to an applicant that lacks the capacity to undertake the proposed activity. In addition, applicants which have previously participated in activities funded in whole or in part with funds provided by the Community Development and Planning Department must have performed adequately.

Except for economic development activities, agencies will not be eligible to receive funding unless past Community Development and Planning funded activities have been completed; the entire activity must be completed, not just the portion funded by Community Development and Planning. Currently funded activities must be completed or on schedule for the agency to be considered for additional funding.

Additional funds for completion of any activity receiving Community Development and Planning funds may be denied at the discretion of the Community Development and Planning Department.

Audit findings and monitoring findings made by the Community Development and Planning Department, the U.S. Department of Housing and Urban Development (HUD) or any funding agency must have been cleared or satisfactory arrangements for clearing the findings must have been made and corrective actions underway.

All required reports, documents and requested data must have been submitted to the Community Development and Planning Department and must have been submitted within the time frame established by the Community Development and Planning Department.

Applicant must provide evidence that any funds due to the Community Development and Planning Department of Lafayette Consolidated Government have been repaid or satisfactory arrangements for repayment of the debt have been made and payments are current

The applicant cannot be on any list of sanctioned agencies maintained by the Community Development and Planning Department, Lafayette Consolidated Government or HUD, nor can any organization proposing to perform work on the proposed activity be on any list of sanctioned agencies.

The proposed activity must address a high priority need as described in the Community Development and Planning Department's Consolidated Plan. If the activity is not listed as a high priority need, the agency is responsible for providing adequate documentation of need to Community Development and Planning

staff in a timely manner in order for staff to adequately review the information and determine the activity's priority status in the Consolidated Plan

Any proposed public service activity must be a new service or a quantifiable increase in services already available to residents of the jurisdiction of Lafayette Consolidated Government.