

III. PROJECT SELECTION PROCESS

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Preliminary Review

The LCDBG Staff will review each application to determine the following:

1. Timeliness of Submission – Applications that are postmarked after the deadline date will be returned to the applicant unopened and **will not be considered for funding**.
2. Completeness of the Application – Applications will be reviewed for completeness. Failure to include all forms or the inclusion of incomplete forms may result in a lower overall score.

If the determination is made 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 or representative basis, or was poorly packaged, etc., funds requested for pre-agreement costs may be reduced.

3. Activity Eligibility – State staff will review each proposed activity to determine that it is an eligible activity that meets one of the three national objectives identified on page 3 of this application package. **Ineligible activities will not be rated.**

Applicant Selection

After preliminary review, all public facilities applications that meet the threshold criteria described in Chapter II of this application package will be rated/scored according to the rating criteria described in the State's FY 2008 Consolidated Annual Action Plan.

The Office of Community Development will not enter rating data from any applications that do not meet the threshold criteria identified in Chapter II of this application package as of December 17, 2007. Therefore, those applications will not be in consideration for funding for the FY 2008 program year. For the second year of the funding cycle, FY 2009, the Office of Community Development will enter rating data from any applications that meet the threshold criteria as of December 15, 2008. This may cause a change in the points awarded under the cost effective criteria; the points awarded under cost effectiveness are relative to the other applications that are being considered. Since additional applicants may meet the threshold criteria for FY 2009, there may be changes in the points awarded under cost effectiveness and in the ranking of the projects.

Public infrastructure applications will be assigned raw scores, then ranked highest to lowest. The State may conduct a site visit on any of the applications received. Site visits will verify the information provided in the application. If a site visit discloses information conflicting with that included in the application or the intent of the program, the State will exercise administrative discretion in making the determination as to whether or not the application will receive further consideration, or an adjustment to the score and/or the application itself.

Selected applicants *may* be contacted by telephone to arrange a time to visit and to identify items the State will review while on site. Items not specifically mentioned during this phone call may be reviewed during the site visit.

Rating Criteria

Public Facilities - Water, Sewer, Streets (Maximum of 64 Points)

Since the FY 2008 Proposed Consolidated Action Plan is not available at this time, the following describes the rating system that the State *anticipates* to be included in the Plan.

For the purpose of ranking public facilities projects, subcategories will be established (new sewer systems primarily involving collection lines, rehabilitation of existing sewer systems primarily involving collection lines, sewer systems primarily involving treatment, water systems addressing potable water, water systems primarily for fire protection, and streets).

Potable water and sewer projects will be rated on a 64 point system, street projects will be rated on a 24 point system, fire protection projects will be rated on a 44 point system, and multi-purpose community centers will be rated on a 43 point system. Project severity will not be rated for multi-purpose community centers.

Any water or sewer project that is funded must completely remedy existing conditions that violate a state or federal standard established to protect public health and safety.

According to federal regulations, the general rule is that any expense associated with repairing, operating or maintaining public facilities and services is ineligible. Examples of maintenance and repair activities for which LCDBG funds may not be used are the filling of pot holes in streets or the cleaning of drainage ditches/systems. LCDBG funds may be used to reconstruct or rehabilitate previously paved streets or to pave streets which have never been paved.

Drainage improvements may be undertaken in conjunction with street improvements projects. Drainage improvements, for the most part, must parallel streets that are proposed for improvements under the LCDBG program. The cleaning of drainage ditches is considered as a maintenance activity for which LCDBG funds cannot be used. The amount of funds which will be used to address drainage improvements will be taken into consideration when determining the average cost per person (cost effectiveness) for street projects.

Fire fighting equipment and fire trucks are NOT eligible for funding under the FY 2008 and FY 2009 LCDBG Programs. Fire station construction is eligible, however, the applicant must own or acquire (from another source) fire truck(s) that will be housed in the fire station. All fire station bays, (including those in existing fire stations and those to be constructed with LCDBG grant funds) within the jurisdiction or fire district served by the project must be occupied by a fire truck, (not another type of emergency vehicle such as an ambulance).

Both parishes and municipalities are limited to two target areas for street projects. The local governing body must improve all streets within the target area(s) that qualify for improvements under the LCDBG program. In delineating the target areas, it must be kept in mind that the boundaries must be coincident with visually recognized boundaries such as streets, streams, canals, et cetera; property lines cannot be used unless they are also coincident with visually recognized boundaries. Gerrymandering will not be accepted.

Each application will be classified as including a project that benefits a target area/areas or that provides benefits on a community-wide basis. To be considered and rated as a community-wide project under the LCDBG Program, at least thirty-five percent of the total construction cost (including contingencies) must be utilized for a community-wide activity. If a project has one or more community-wide activities but the construction cost of that activity or activities is less than thirty-five percent of the total construction cost, the project will be classified for rating purposes as primarily involving a target area(s). The cost estimate in the application must clearly separate and distinguish between the community-wide and target area activities. Those applications which propose activities serving a target area or areas (an area smaller than the jurisdiction of the local governing body) will also be classified and rated as a target area activity.

Each sewer application will fall into one of the three subcategories for the purpose of ranking. If the construction cost for new sewer system improvements is equal to or greater than 70% 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 70% of the total construction cost or no new sewer system improvements are proposed, 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, the application will be assigned to the “Sewer System Rehabilitation” subcategory; otherwise it will be assigned to the “Sewer Treatment” subcategory.

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

For those applications that are classified as community-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 governing body 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 which involve both target area activities and community-wide activities but which do not meet the LCDBG definition of community-wide for rating purposes, the target area data will be used for rating purposes and the community-wide data will be used for reporting purposes. Regardless of the application classification, projects which 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 served. The total beneficiaries for rating and reporting purposes for benefit to low/moderate income persons will be all residents residing in the street project target area(s), except residents living in group homes who normally do not drive vehicles.

The engineer for each project must certify as to the residents or persons he/she determines will be the beneficiaries 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 carefully evaluated and 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, potable water, water for fire protection, and streets). 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. They will remain separate, thus creating twelve separate sub-category pots of funding. This allows those projects benefiting many people and those benefiting fewer people to be rated and ranked 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 only, 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, except residents living in group homes who normally do not drive vehicles.

The cost effectiveness points assigned to the FY 2008 applications will be based upon those applications which meet the threshold requirements for FY 2008 funding eligibility. Therefore, the cost effectiveness points assigned to the FY 2009 applications will most likely differ from those points assigned to the FY 2008 applications. When determining the cost effectiveness points for the FY 2009 applications, the applications that were funded during the FY 2008 program year will not be taken into consideration.

- (c) Project Severity (Maximum Possible Points for sewer projects – 50)
 - (Maximum Possible Points for potable water projects – 50)
 - (Maximum Possible Points for fire protection projects – 30)
 - (Maximum Possible Points for street projects – 10)

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/or fire protection, and street projects. **All applicants for these funds will complete a Project Severity Assessment for Public Facilities Projects**, which is shown beginning on page 189.

In assigning points for project severity, the following general criteria will be utilized by the Office of Community Development or the cognizant review agency (if applicable) for the type of project proposed.

Water systems primarily for fire protection purposes: source capacity, reliability of supply, amount of storage, extent of hydrant coverage or spacing, water pressure and volume for fire fighting. A comprehensive approach has to be taken for the target area as all factors relating to the remedy of fire protection problems will be assessed.

The following criteria will be used to rate the project severity of water systems which will be used for fire protection purposes. The maximum severity score for fire protection projects is 30.

- The following number of points will be assigned to those communities and parishes based on their current Public Protection Classification. For those parishes which are applying on behalf of a fire protection district, the number of point assigned will be based on the classification of the district or districts which will benefit from the project. If more than one district and/or community is involved in the proposed project, the number of points assigned will be based upon the average of the Public Protection Classifications.

Class 10 - 10 points
 Class 9 - 9 points
 Class 8 - 8 points
 Class 7 - 7 points
 Class 6 - 6 points
 Class 5 - 5 points
 Class 4 - 4 points
 Class 3 - 3 points
 Class 2 - 2 points
 Class 1 - 1 point

- The following range of points will be used to assign a score based upon the effect the proposed improvements will have on the Public Protection Classification of the graded area (the jurisdiction for which funds are requested).

The proposed improvements will improve the Public Protection Classification grading. 6-10 points

The proposed improvements will improve the firefighting capabilities but will not change the Public Protection Classification grading. 1-5 points

There will be no improvement in the firefighting capabilities and no change in the Public Protection Classification grading. 0 points

- The following range of points will be used to assign a score based on the extent of the benefit of the proposed project within the graded area.

The proposed project will benefit all of the graded area. 6-10 points

The proposed project will benefit only a portion of the graded area. 1-5 points

The proposed project will not benefit any part of the graded area. 0 points

Wastewater systems and water systems addressing potable water needs: the existence of conditions in violation of those provisions of the State Sanitary Code that most directly safeguard public health and the adequacy of the proposed improvements to eliminate such conditions. Compliance with federal and state laws and regulations will be taken into consideration. Verification of existing conditions will be provided by DHH 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 several different 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.

Project Severity Criteria for Wastewater Applications

PROPOSED ACTION	POINT RANGE
<i>COLLECTION</i>	
Replace or rehabilitate collection system components.	40-45
<i>TREATMENT</i>	
Replace or upgrade existing treatment facility to meet current capacity requirements.	45-50
Replace or upgrade existing treatment facility to meet future capacity requirements.	35-40
Replace or upgrade existing treatment facility to meet current discharge limits.	45-50
Replace or upgrade existing treatment facility to meet future discharge limits.	35-40
Replace or upgrade various treatment facility components.	40-45
<i>SYSTEM</i>	
New collection system to provide service for un-served areas.	45-50
Back-up power source (major element of proposed improvements)	30-35

Project Severity Criteria for Potable Water Applications

PROPOSED ACTION	POINT RANGE
<i>SOURCE & SUPPLY</i>	
Change source to replace or supplement existing unreliable source.*	45-50
Supplement supply when only one groundwater supply exists.**	45-50
Replace, rehabilitate, or supplement supply when existing supply is not capable of meeting demand requirements.***	40-50
Replace, rehabilitate, or provide supply as a back-up.****	35-40
<i>DISTRIBUTION</i>	
Replace lines due to multiple primary MCL violations.	45-50
Replace undersized lines or replace lines due to leakage or deteriorated condition.	40-45
Replace, rehabilitate, or provide booster pumps because of pressure problems.	45-50
Loop dead end lines.	40-45
Install water meters at service connections.	35-40
<i>STORAGE</i>	
Provide new storage facility when existing storage capacity is not capable of meeting current storage requirements.	45-50
Rehabilitate existing storage facility when existing facility is critical in meeting current storage requirements.	40-45
Replace or upgrade storage facility when minimum storage requirements have been met.	30-35
<i>TREATMENT</i>	
Upgrade treatment facility to meet primary drinking water standards.	45-50
Replace or upgrade disinfection capability.	45-50
Upgrade treatment facility due to increased demand.	45-50
Upgrade treatment facility to meet secondary drinking water standards.	35-40
Upgrade treatment facility to meet future treatment requirements.	35-40
Replace or upgrade various treatment facility components.	40-45
<i>SYSTEM</i>	
Replace or upgrade various system components due to multiple primary MCL violations.	45-50
Upgrade system due to lack of pressure.	45-50
New water system or extension of existing system to un-served areas.	45-50
Replace or rehabilitate various system components.	40-45
Back-up power source (major element of proposed improvements).	30-35

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

- * Example: Abandon wells and purchase water from a different system.
- **Example: Construct additional well(s).
- ***Example: Construct additional well(s) or rehabilitate existing well(s). Higher scores will be given when the maximum day demand and the average day demand cannot be met. Lower scores will be given when only one of the demand figures cannot be met.
- ****Example: Construct an additional well when demand requirements have been met.

Street construction, rehabilitation, or reconstruction: existing surface conditions and deficiencies, and surface area measurements. Each street being applied for will be inspected by the Office of Community Development and will be given a condition rating, with a maximum score of 100. Defects to be assessed include cracking, distortion, disintegration, and overall riding quality. Unpaved streets will receive a 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 more clearly illustrates how this will be accomplished.

(a) Street	(b) Length (Ft.)	(c) Width (Ft.)	(d) Area (Sq. Ft.)	(e) Condition Rating	(f) (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

Weighted condition rating = $6,337,600/87,200 = 72.68$

Points for project severity will be determined by dividing the weighted condition rating by 10. A maximum of 10 points will be awarded for project severity on street projects. For the above example the project severity score would equal $72.68/10 = 7.268$ points which will be rounded to 7.3 points.

(d) Engineering Costs (Maximum Possible Points - 1)

One point will be assigned to those applicants that agree to pay all of the engineering costs associated with the implementation of the LCDBG program. Such costs include but are not limited to basic design, resident inspection, topographic surveying, testing, staking, et cetera. Local funds must be pledged and allocated for such services. To substantiate that

the local governing body 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 governing body identifying the firms hired and the proposed amount of the contracts. That resolution must state that local funds will be used to pay the engineering fees and any other engineering costs incurred by the local governing body.

(e) Pre-agreement and Administrative Costs (Maximum Possible Points -1)

Those applicants that agree to pay all of the pre-agreement and administrative costs associated with the implementation of the LCDBG program will receive one point. Such costs will include, but will not be limited to, application preparation fees, audit fees, advertising and publication fees, local staff time, workshop expenses, administrative consultant fees, et cetera. If the applicant plans to utilize the services of an administrative consultant, local funds must be pledged and allocated for such services. While the LCDBG Program will allow a maximum of \$3,700 for pre-agreement costs and \$35,000 for an administrative consultant's fees, the actual cost of these services may be less than these amounts and will be determined through negotiation during the procurement process. To substantiate that the local governing body will pay the pre-agreement and administrative 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 governing body identifying the firms hired and the proposed amount of the contracts. That resolution must state that local funds will be used to pay the pre-agreement and administrative consultant fees and any other administrative costs incurred by the local governing body.

If the local governing body maintains full-time permanent staff for the sole or partial purpose of administering LCDBG or other federal programs, such staff must have proved its capacity to administer LCDBG or other federal programs through previous program administration. In this instance, the point will also be assigned.

The following requirement will apply to those applicants which receive the point for paying pre-agreement and administrative costs and are successful in receiving a grant. If such grantees 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 governing body for any pre-agreement or administrative costs associated with the LCDBG Program.

(f) Target Area within a designated Renewal Community (Maximum Possible Points - 1)

If the applicant's public facilities target area(s) are located within the boundaries of a federally designated Renewal Community, that application will receive one point. Documentation that the applicant's target area(s) falls within the designated area must be included in the application. In order to receive this point, the entire target area or areas must fall within the boundaries of the designated Renewal Community.

Use of Other Funds in Conjunction with LCDBG Funds. Some projects may cost more than can be requested under the LCDBG Program; therefore, the applicant proposes to use other funds in conjunction with the LCDBG funds. Applicants that want to use other funds in conjunction with LCDBG funds must have those funds available and ready to spend. If the other funds involve loans or grants from other state, federal, or private sources, the monies must have already been awarded or be in the bank. To substantiate the immediate availability of the other funds, one of the following items is required: a letter from the local governing body stating the specific source, amount, and location of local cash, a line of credit letter from a financial institution such as a bank stating the amount available as a loan, specific evidence of funds to be received from a tax or bond election that has already passed, or a letter from another funding agency stating that the funds have been awarded and are currently available for expenditure.

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 Office of Community Development (approximately ten calendar days), then the project will not be funded. For example, if applicant number one does not have the other funds available for FY 2008 funding, then that applicant will not be funded under the FY 2008 program. Applicant number one will be reconsidered for funding again under the FY 2009 program (if the application is above the funding line); if the other funds are not available at that time, the applicant will no longer be considered for funding.

Appeals

Applicants may meet with State staff to review their application and program scores any time after grant awards have been announced. When an applicant requests an appeal, the following procedures apply:

1. Appeals will be granted only on the basis of miscalculation of numerical factors.
2. Applicants must submit a written request for an appeal within ten working days after notice of denial is received.
3. The State will respond in writing to appeal requests within ten working days.

Complaint Procedures

Persons wishing to object to the approval of an application by the State may make such objection known to the Office of Community Development, Division of Administration. The State will consider objections made only on the following grounds:

1. The applicant's description of needs and objectives is plainly inconsistent with available facts and data;
2. The activities to be undertaken are plainly inappropriate in meeting the needs and objectives identified by the applicant; and

3. The application does not comply with the requirements set forth in the FY 2008 and FY 2009 Action Plans or other applicable laws.

All complaints of this nature must be submitted to the Office of Community Development 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.