**CDBG-CV HVAC Program Guidelines**

**HVAC Upgrades to Prevent the Spread of COVID-19 in Community Facilities**

Due to the pandemic, local government entities are having to take actions to prevent the spread of COVID-19. In the CARES Act, HUD was allocated funding to prevent, prepare for, and respond to the virus. From that funding, the State of Louisiana has been appropriated $44,336,196. Of that amount, the Office of Community Development (OCD) has allocated $31,000,000 for upgrades to HVAC and ventilation systems. According to the CDC, upgrades/modifications to HVAC systems can improve air quality and minimize the spread of airborne infectious diseases. To assist local governments with funding for the response to the pandemic, OCD is accepting applications from units of general local government for projects to upgrade/modify HVAC and ventilation systems in CDBG–eligible publicly-owned community facilities in an effort to reduce the spread of the virus. All approved facilities must be a CDBG-eligible public facility and meet a national objective, as described below. Applications will be accepted on a first come, first served basis until July 9, 2020, or until all funds have been obligated. The availability and use of these funds is subject to the U.S. Department of Housing and Urban Development’s (HUD) requirements pursuant to CDBG Subpart I of Title 24 Part 570 of the Code of Federal Regulations and Federal Register Notice Vol. 85 No. 162 August 20, 2020.

**Eligible Applicants**: A Louisiana unit of general local government (UGLG) as defined in section 102(a)(1) of the HCDA. All applicants are required to have a DUNS number that is actively registered in the System for Award Management (SAM.gov).

**Eligible Activities**: The following activities are eligible under this program:

* Public Facilities Improvements – Section 105(a)(2)
	+ HVAC improvements to publicly-owned facilities meeting CDBG eligibility requirements in an effort to reduce the spread of infectious disease.
	+ Nonexclusive list of eligible community facilities: public school, library, community center, recreation center, homeless shelter, group home for disabled, domestic violence shelter, nursing home, health unit, police/sheriff substation, fire station, senior center, jails.
	+ A facility otherwise eligible for assistance under the CDBG program may be assisted with CDBG funds even if it is part of a multiple use building containing ineligible uses, if:
		- The public portion of the facility that is otherwise eligible and proposed for assistance will occupy a designated and discrete area within the larger facility; and
		- OCD can determine the costs attributable to the facility proposed for assistance as separate and distinct from the overall costs of the multiple-use facility. Allowable costs are limited to those attributable to the eligible portion of the facility.
* Administration – Section 105(a)(12)
	+ Administration activities to implement a specific CDBG-assisted project

**Ineligible Facilities**: Buildings used for the general conduct of government are ineligible. Further information regarding this prohibition can be found at <https://files.hudexchange.info/resources/documents/CDBG-Memorandum-Definition-of-Building-for-General-Conduct-Government.pdf> .

**National objective**: All applications must identify the national objective being addressed by the proposed improvements for each community facility as required by CDBG regulations (24 CFR 570.483). Facilities proposed for HVAC improvements must primarily (51%) benefit low/moderate income persons. Acceptable methods of compliance are as follows:

* Area Benefit – 51% or more of the persons included in identified facility service area are of low/moderate income based on HUD Summary Data or approved household survey documentation
* Limited Clientele Benefit
	+ Facility serves persons that qualify as one of the following groups: Abused children, battered spouses, elderly persons, severely disabled adults, homeless persons, illiterate adults, persons living with AIDS and migrant farm workers.
	+ Facility requires documentation on family size and income in order to ensure that at least 51% of the beneficiaries are of low to moderate income for use.
	+ Facility is of such a nature and in such a location that it can be concluded that clients are primarily low to moderate income

**Application Submittal Process**: Applications will be submitted via the online portal at <https://wwwcfprd.doa.la.gov/CDBG_Cares>. The online system will be available to users at <https://wwwcfprd.doa.la.gov/CDBG_Cares> until all funds have been allocated or OCD determines no further applications are needed. A user id must be obtained from the OCD in order to access the system. Access request forms are available at <https://wwwcfprd.doa.la.gov/CDBG_Cares>. Access request forms must be submitted to OCD for review and approval. If approved, OCD will provide user id by email to requestor. Users will be identified as creators (users with access to create or edit applications) and submitters (users with access to create, edit, and submit applications). Creators will be able to create applications in the system for UGLGs when approved to do so by the chief elected official of the UGLG. Submitters will be able to perform all functions of the creator as well as submit the application to OCD for review. The submitter must either be an employee (not a contractual relationship) or elected official of the UGLG. All access request forms must be approved and signed by the chief elected official of the UGLG.

Application forms can be accessed in the online system at <https://wwwcfprd.doa.la.gov/CDBG_Cares>. All forms must be submitted through the online system. No additional information or documents should be submitted to the OCD unless requested by a member of the OCD staff. Any further information requested by OCD staff should be submitted within the timeframe identified in the request.

Each eligible applicant may submit one application; however multiple community facilities may be included in the application. OCD will review each facility separately to verify eligibility. If any facilities are determined ineligible, OCD will remove those costs from the proposal but will not deny entire application. Applicants may include additional facilities for improvements in the Supporting Documentation section of the online system that OCD will review if any facilities are determined to be ineligible and the approved proposed amount is below the grant maximum.

**Award Process**: OCD will review applications as they are received for eligibility. OCD will award projects until all available funding has been obligated.

**Program Allocation**: A total of $31,000,000 of LCDBG-CV funds are available for funding under the HVAC Community Facilities Program. Of that amount, $15,500,000 will be available for large applicants (local governments with populations of 10,000 or more) and $15,500,000 will be available for small applicants (local governments with populations of 9,999 or less).

**Project Amounts**:

* Minimum Construction Amount - $80,000
* Maximum Grant Amount - $1,000,000
* Administration Amount – The maximum allowable administrative costs will be determined by the total grant amounts and will be on a cost reimbursement basis only. Grants up to $200,000 will be allowed up to $30,000 for administrative costs; grants from $200,001 to $600,000 will be allowed up to $60,000 for administrative costs; and grants from $600,001 to $1,000,000 will be allowed a maximum of $100,000 for administrative costs. No pre-agreement costs will be allowed for administration.
* Design Fees – Please refer to “Engineering Fee Schedules and Policies” located on OCD’s website for information concerning eligible design fees. Design fees will be approved on a cost reimbursement basis only.

**Project Scope Considerations**: In addition to consideration of costs to upgrade/modify Heating, Ventilation, and Air Conditioning (HVAC) system, applicants should consider the following (not all inclusive list):

* Asbestos - Asbestos was used in almost every public and commercial building constructed before the 1980s in the United States in a variety of ways. Asbestos was used as a fireproofing material, it was use in roof shingles, insulation, siding, wallboard, floor tiles, joint compounds, acoustical plaster and adhesives. However, asbestos becomes a hazard when it is damaged, crumbles, or is in a state of disrepair. It then poses a health risk to building occupants, repairmen, and maintenance workers because asbestos fibers may be released into the air. The risk is even greater if the building is demolished, renovated, or remodeled. Professionals who design the HVAC upgrade/modify should take into consideration that the HVAC upgrades/modifications could include the need for asbestos abatement. Asbestos guidelines and regulations can be found at the Louisiana Department of Environmental Quality web site at: <https://deq.louisiana.gov/page/asbestos-accreditation-and-notification-forms> .
* Lead Based Paints - If a building was built before 1978, it is more likely to have lead-based paint. In 1978, the federal government banned consumer uses of lead-based paint. The EPA says consult a certified lead professional before beginning renovation, repair or painting projects. Renovation, repair or painting activities can create toxic lead dust when painted surfaces are disturbed or demolished. Professionals who design the HVAC upgrade/modify should take into consideration that the HVAC upgrades/modifications could include the need for lead paint remediation. Lead paint guidelines and regulations can be found at the Louisiana Department of Environmental Quality web site at: <https://deq.louisiana.gov/page/leadbased-paint> .
* Mold - Mold growth inside hard surface (e.g., sheet metal) ducts or on other components of your heating and cooling system may occur. Any HVAC upgrade/modifications for public facilities should include a mold inspection of the duct work and all other components of the HVAC system. A HVAC professional should recommend remediation efforts if necessary. Remediation efforts could include cleaning, sanitizing or replacement of the duct work and all other components of the HVAC system. More information on mold and guidelines can be found at the Louisiana Department of Health website at: <https://ldh.la.gov/index.cfm/faq/category/41> .

**Additional Program Requirements to note (not all inclusive):**

1. All applicants must have an active DUNS number registered in [www.SAM.gov](http://www.SAM.gov).
2. All applicants must certify that no other federal funds have been received by the applicant/sub recipient for the proposed project resulting in a prohibited Duplication of Benefit.
3. All applicants must not be included in the Louisiana Legislative Auditor’s (LLA) non-compliance list at the time of application or grant award.
4. All applicants must not be currently sanctioned by the OCD from participating in the LCDBG program.
5. All applicants must complete and provide documentation of citizen participation requirements in accordance with federal regulations.
6. Applicants seeking fees for design professionals must have procured professionals in accordance with federal regulations.
7. All awarded projects must be completed within two years of award. Documentation of benchmarks will be required and must be met during implementation of project.
8. Each application can only include services from one administration and one engineering/architectural firm.
9. Applicants applying for HVAC improvements for publicly-owned facilities not owned by the applicant will be required to execute a sub recipient agreement with the public entity that provides the services and/or owns the facility, if funded.

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