

SENATE BILL NO. 732

BY SENATOR GRAY

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AN ACT

To enact Chapter 31-A of Title 25 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 25:1271.1 through 1271.4, relative to residential neighborhood enhancement programs; to establish the residential neighborhood enhancement program; to provide for definitions; to provide with respect to program requirements and limitations; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. Chapter 31-A of Title 25 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 25:1271.1 through 1271.4, is hereby enacted to read as follows:

**CHAPTER 31-A. MAGNOLIA STREET RESIDENTIAL
NEIGHBORHOOD ENHANCEMENT ACT**

§1271.1. Short title

This Chapter shall be known as the Magnolia Street Program.

§1271.2. Definitions

The following words and phrases when used in this Chapter shall have the meanings given to them in this Section unless the context clearly indicates otherwise:

(1) "Department" means the Department of Culture, Recreation and Tourism.

(2) "Established residential neighborhood" means a defined geographic area which has consisted of buildings and structures for housing individuals and families which has existed as a residential neighborhood since before 1971.

(3) "Eligible entity" means a part of city government or a nonprofit organization designated by a municipality to receive grants pursuant to the

1 provisions of the Chapter which has been designated as exempt from federal
2 income tax under Section 501(c)(3) of the Internal Revenue Code.

3 (4) "Program" means the Magnolia Street Residential Neighborhood
4 Enhancement Program as established by this Chapter.

5 §1271.3. Magnolia Street Program

6 A. Establishment; administration. The Magnolia Street Program is
7 hereby established within the Department of Culture, Recreation and Tourism
8 which shall assist municipalities in preparing and implementing a revitalization
9 strategy for residential neighborhoods through the establishment of residential
10 neighborhood enhancement program districts and grants to provide for
11 planning and improvements in such districts. The residential neighborhoods
12 must be in close proximity to either a Louisiana Main Street Program project
13 or an existing commercial district. The department shall administer the
14 program in conjunction with the Louisiana Main Street Program. For this
15 purpose, the total number of authorized positions for the department may be
16 increased by not more than one position.

17 B. Applications. The department shall prepare application forms for the
18 grant program established in this Chapter and award grants to municipalities
19 and other eligible entities based on the requirements provided in Subsection D
20 of this Section. The department shall require that a map be furnished with all
21 applications clearly identifying the residential neighborhood district.

22 C. Program requirements. The program shall:

23 (1) Provide residential reinvestment grants for infrastructure and
24 structural improvements, including, but not limited to, streets, street lights,
25 trees, exteriors of buildings and sidewalks or other pedestrian-oriented features.

26 (2) Provide planning and development grants for:

27 (a) Salaries of local program managers, which may be either full-time or
28 part-time.

29 (b) Marketing and promoting urban residential living.

30 (c) Leveraging additional private and public investment.

1 (d) Promoting home ownership and other housing options.

2 (e) Addressing social and economic concerns including, but not limited
 3 to, crime, blight, employment opportunities, and public services and amenities.

4 (f) Achieving consistency, whenever appropriate, with existing
 5 commercial and residential revitalization efforts.

6 (3) Provide an assessment of applying a municipality's need for the
 7 following:

8 (a) A review of local comprehensive plans and zoning and other land use
 9 ordinances to foster the viability of established residential neighborhoods, with
 10 a balanced mix of commercial, civic, employment and residential uses, with
 11 particular attention to a diversity of housing options.

12 (b) A review of educational and recreational opportunities and facilities.

13 D. Eligibility. For participation in the program, municipalities or their
 14 designated eligible entities, must meet the following criteria:

15 (1) Have an established residential neighborhood in need of
 16 revitalization in close proximity to an existing commercial district.

17 (2) Provide evidence of support by local residents, merchants and
 18 government officials in the form of written documentation.

19 (3) Commit to provide a minimum of a thirty percent match for any
 20 department grants. The match must consist of financial or in-kind support
 21 from other public or private sources based upon departmental guidelines. The
 22 department may waive or reduce the matching requirement if it determines
 23 such requirement would constitute a hardship upon the municipality or the
 24 agency designated by the municipality. A hardship exists if the municipality
 25 meets one of the following criteria:

26 (a) The municipality is declared as financially distressed.

27 (b) The matching requirements for the application would exceed five
 28 percent of the municipality's annual operating budget.

29 (c) Part or all of the established residential neighborhood identified in
 30 the application is participating in a crime prevention program in conjunction

1 with the local law enforcement agency.

2 E. Multiple projects. The department may approve more than one
3 project within the boundaries of a municipality. Multiple projects may occur
4 simultaneously or at different periods of time.

5 F. Cooperative projects. The department may consider applications
6 submitted by two or more municipalities as a single application for a single
7 project area.

8 G. Priority projects. The department shall give priority to projects with
9 an established residential neighborhood that was already in existence prior to
10 1961.

11 H. Limits. The department shall establish limits on the amount of
12 money available per project area so as to distribute the available funds as fairly
13 as possible throughout the state of Louisiana.

14 I. Prohibitions. No funds from this program shall be expended to
15 develop or convert farmland to residential, commercial or industrial uses.
16 Farmland is any land that supports, or land with a recent history of supporting,
17 the commercial production of agricultural crops, livestock or livestock
18 products, poultry products, milk or dairy products, fruit, or other horticultural
19 products.

20 §1271.4. Limitations

21 A. No more than twenty percent of funds appropriated or allocated to
22 the program in any fiscal year may be granted to municipalities or eligible
23 entities within any one parish.

24 B. In no case shall the aggregate amount of grants in any fiscal year
25 exceed the amount of the appropriation to the department for the program in
26 that fiscal year or the amount allocated to the program by the department in the
27 event that funding for the program is included in an appropriation to the
28 department containing funding for other programs. The provision of grants
29 under this Chapter shall in no way constitute an entitlement derived from the
30 state of Louisiana or a claim on any other funds of the state.

1 C. All grants awarded through the program shall be awarded in
 2 conformity with rules and regulations promulgated by the department in
 3 accordance with the Administrative Procedure Act. No grant shall be awarded
 4 until after such time as such rules and regulations become effective.

5 D. All grants awarded through the program shall be from funds
 6 specifically appropriated by the legislature for the program.

7 E. No grant may be awarded through the program unless and until the
 8 legislature has appropriated to the department sufficient funds designated for
 9 the operation of the program.

10 Section 2. This Act shall become effective on the effective date of the first
 11 appropriation of funds by the legislature to fund the provisions of this Act.

12 Section 3. The provisions of this Act shall be effective until June 30, 2013 or five
 13 years from the first year of funding, whichever occurs last, and shall be null and void
 14 thereafter.

 PRESIDENT OF THE SENATE

 SPEAKER OF THE HOUSE OF REPRESENTATIVES

 GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____