

**CDBG-DR Frequently Asked Questions
As of 12/3/2025**

- 1. On the “General Conditions” document for use with our subcontracts, can we exclude the sections that do not apply?**

Likely yes, but please send over those sections for DLG review to confirm.

- 2. Is the quarterly reporting in addition to the monthly reporting required in the grant agreement, or instead of it?**

Quarterly reporting is in addition to the monthly and will summarize work completed in the quarter. DLG will provide the form shortly.

- 3. How will the quarterly report be submitted?**

Via disaster recovery email address: DLG.DR@ky.gov.

- 4. The training mentioned that draws must correspond to the completion percentage of the house. Is this percentage we can draw the percentage of CDBG-DR funds (\$200K), or percentage of the cost of the house? In order for us to have sufficient cash flow, we would need it to be based on the percentage of cost of the house. For example, KHC estimates the unit is 50% complete at rough-in, but we will have actually expended about 60% of the cost of the house. Can we draw more than 50% at this point?**

Each draw must correspond to the percentage of completed work in KHC’s inspection report that is submitted with the draw.

- 5. Does Davis Bacon apply to projects with fewer than 8 units constructed?**

No.

- 6. Is it sufficient for a subcontractor to have just a UEI, or do they need a full SAM.gov registration?**

Subcontractors only need a UEI.

- 7. Do we need to “accept” our subcontractors work? How should we do this?**

Yes. DLG assumes that developers have a process to verify and certify that subcontractors have completed the work that has been billed. If there is not a process, please contact DLG.

- 8. Do we need to “accept” our own work? How should we do this?**

No, but you will provide a warranty to the buyer.

- 9. If someone has a large amount of disaster funds (ex. buyout funds) that they are contributing to the home, do they still need to follow PITI requirements?**

Only if there is a primary mortgage. The PITI requirements are to ensure that the primary mortgage is affordable for the buyer’s income. *Duplication of benefit regulations require buyout funds to first reduce any CDBG-DR subsidy and should not replace a primary mortgage.*

- 10. In a case where a home has to transfer ownership during the affordability period (homeowner dies, needs to sell house, etc), could the forgivable mortgage be assumed by someone else who is income-eligible?**

DLG is currently exploring options for heirs of properties funded with CDBG-DR.

- 11. Which sections of the subrecipient manual apply (or don't apply) to developers?**

The subrecipient manual provides detailed guidance for recipients of CDBG-DR funding.

Please direct any specific questions regarding applicability to Fahe. DLG will work with Fahe to respond to those questions.