

# Funding your Vision

Community Development  
Block Grants (CDBG)  
Applications that Deliver



TEAM  
KENTUCKY.

My *New*  
Kentucky  
Home



Gabe Nickell, CDBG Economic Development Branch Manager

## **Participating Party must have Unique Entity ID**

The identifier is crucial for various purposes, including government registrations, award management, and data tracking.

SAM.gov is the primary method for identifying entities doing business with the U.S. federal government

## **Project Funding Summary (Financing)**

CDBG typically only funds up to 1/3 of the total project.  
List all other funds that are applied for or committed.

Include award letters, bank loan commitment letter, and the past three years of audited financials of company.

Start-ups will need personal financial statements of owner or stockholders with 20% or more ownership.

## **Project Description**

This is your chance to sell your application.

What do they make?

How long have they been in business?

How many employees do they have?

Who are their customers?

Have they been approved by Kentucky Economic  
Development Finance Authority?(KEDFA)

The more we know about the business, the better we can tell  
your story.

# Employee Survey

Administrators need to communicate and work directly with the company's human resource officer. The most important time of the project is verifying if the employee is low to moderate income (LMI)

The survey is asking what was their household income **BEFORE** they were hired by company.

We have seen the employee fills out survey and checks income of what they are being paid instead.

Ultimately this can cause resurveying the entire workforce which will cost you and the company time and money.

## Protecting the Community

Economic Development projects can be risky because it's unknown if a national objective will be met per program guidelines.

Some companies will ask for everything and more with the promise of bringing jobs to your community.

We require a legally binding agreement involving all parties and highly recommend that the community pass on the provisions to company.

## **Not all Economic Development projects meet expectations!**

Successful CDBG projects often involve strong partnerships with community organizations and stakeholders.

All communities have a vested interest in CDBG projects. They should protect themselves in the case that repayment is required.

## Conflict of Interest

Elected officials may serve on local nonprofit boards.

**BUT** they must disclose this relationship in a public meeting and **must** recuse themselves from voting on all matters related to the project, including application submission.

This applies to applications in **ALL** program areas.



## Cathy Figlestahler, Housing and Community Projects

- Conflict of Interest: Don't even vote on submission of the application
  - Start the Clearinghouse process early
- Provide a copy of the property deed with the application
- Provide status of matching funds (loan approval, grant ward letters, etc)

## **Do Not Acquire Property**

before receiving Environmental Clearance from DLG

Purchasing property is a choice limiting action and can make the whole project ineligible to receive funds

A Phase I environmental study done for another agency is not the same as environmental clearance from DLG

May only obtain the *option* on property

Before submitting the application, have someone who is not familiar with the project read it.

Inform DLG staff of potential projects that you are preparing.  
This can prevent problems with LMI, eligibility later.

# Jennifer Peters, Public Facilities Branch Manager

**PLEASE** number all pages of the application and attachments.

## Project Description

Keep it simple and to the point, space is limited.

## Financial Information

The Funding Summary, Cost Summary and the engineering estimate **MUST** match.

Be sure to include the status of other funds.

## **Engineer's / Cost Estimate:**

- Must be provided by a licensed engineer, on letterhead
- Make sure engineering and admin, legal fees are broken out
  - Include unit cost of supplies

## Maps

- Must be legible and clearly marked
- Must include a key explaining what the mark ups represent
- Example: red lines= sewer lines and blue lines= water lines
- Include Census map

## Citizen Participation

- Tear sheet-Must be legible and include the date of publication
- Include proof of other outreach such as postings on social media, local businesses, community buildings....



# LMI

This can make or break an application if not done correctly.

Always contact DLG to discuss. Can you use census vs surveys?

Surveys: How many residential customers affected?

How many complete and valid surveys are required?

## LMI Continued

Use the correct HUD Income Limits

LMI survey worksheet: watch your numbers and calculations

These figures **must** be used to complete the Benefit Profiles

## Person / Household Benefit:

Inconsistent numbers of persons on benefit profile, LMI worksheets, etc

Example:

The *Benefit by Household Form* lists 1,107 households to be served; page 24 *11a* the household count is 1,013 existing and 94 new; and then there is another count at 970.

Then on *11b* it is stated that the existing customer count for both cities were used, as well as the recently added new customers.

- Pages 16 & 17 asks for issues: not listing any issues or problems after they have been mentioned in the project description. Leaving these questions blanked or marked N/A makes the statement there is not a need for our funding.
- Example: In the past year, the system experienced 5 SSOs

- The clearinghouse letter will have to be re-done if the scope of work does not match the application



**Please Attend:**

**Survey Says:**

**Getting LMI Right for CDBG Success**

**Thursday at 4:00**

**In the Clements Room**

DLG staff will discuss meeting a CDBG National Objective. Primarily focusing on the challenging process of completing Low-Moderate Income (LMI) surveys.