

# Federal Grants: Let's Dig Deeper

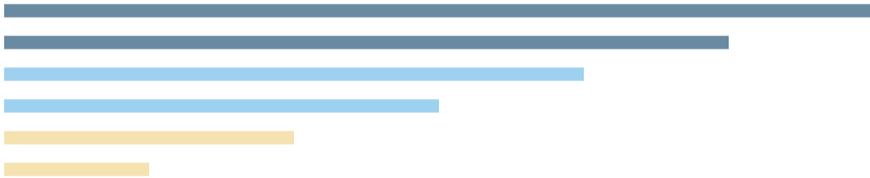
DLG Federal Grants Staff





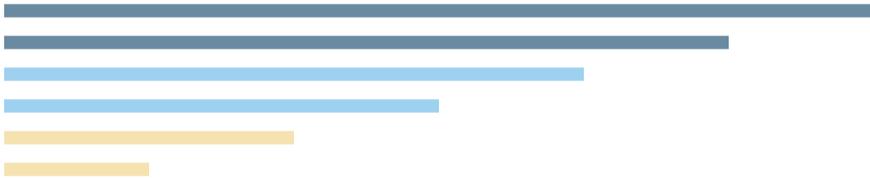
# Recovery Housing Program





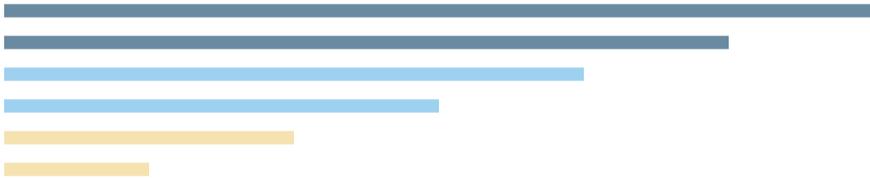
## Overview of Topics

- Authorization
- Intent/Mission
- Funding
- Potential Applicants
- National Objective
- Eligible Activities
- Deadlines



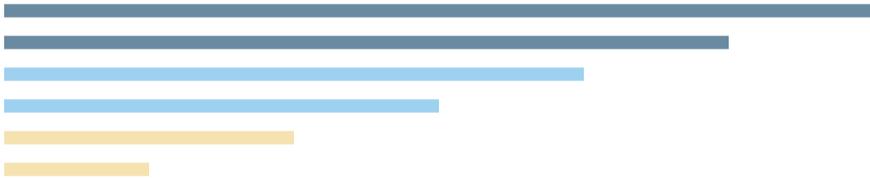
## RHP Pilot Program

- Created in response to opioid pandemic
- Provide stable, temporary housing to individuals in recovery from substance abuse disorders
- Limited 2 years or until permanent housing is secured
- Authorized under SUPPORT Act, signed into law October 24, 2018
- Based on CDBG, under Title 1 of HCD Act of 1974



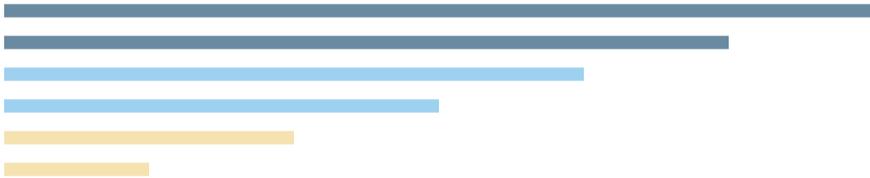
## Program Intent

- HUD's mission is to serve individuals through 4 dimensions:
  - Health
  - Home
  - Purpose
  - Community
- Program Measures
  - Housing Stability
  - Income
  - Sobriety



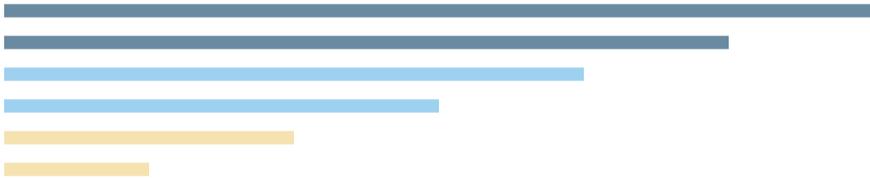
## Program Funding

- \$25 million appropriation
- 25 grantees awarded (24 states and D.C.)
- Kentucky's 2023 allocation = \$1,461,639
- Formula used to allocate funds includes age adjusted rates of drug overdose deaths (70%), unemployment rates (15%), and labor force participation rates (15%)



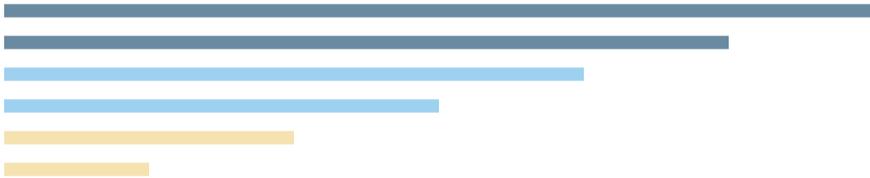
## Potential Applicants

- All areas within jurisdiction are eligible, including entitlement and tribal areas
- Support Act requires grantees give priority to entities with greatest need, ability to deliver timely assistance
- HUD recommends using funds toward projects that complement federally funded projects that serve similar clientele



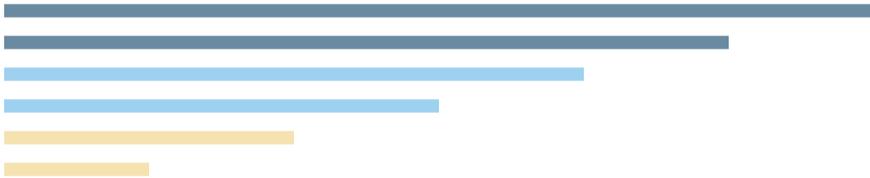
## National Objective

- All RHP activities must comply with the Limited Clientele national objective
- Must benefit at least 51% low- and moderate-income persons
- Additional limited clientele categories include:
  - Persons who meet the federal poverty limits
  - Persons insured by Medicaid
- Funds can't be used to aid in elimination of blighted area



## Eligible Activities

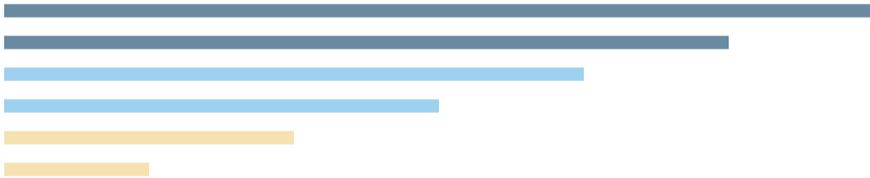
- **Public Facilities and Improvements**
- **Acquisition of Real Property**
- **Disposition - Acquisition of Real Property**
- **Lease, Rent, and Utilities**
- **Rehab and reconstruction**



# Eligible Activities

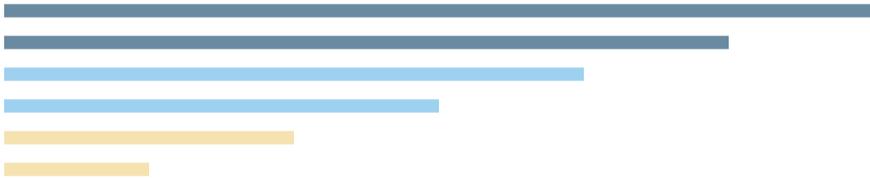


- **Relocation**
- **New Construction of Housing**
  - Expansion of existing eligible activities to allow RHP funds to be used for new construction of housing.



## Important Deadlines

- 30% of funds must be expended within one year of GA with HUD.
- 100% of funds must be expended by seven (7) years from the contract date.



# Project examples

# The Journey – Pathways RHP Project

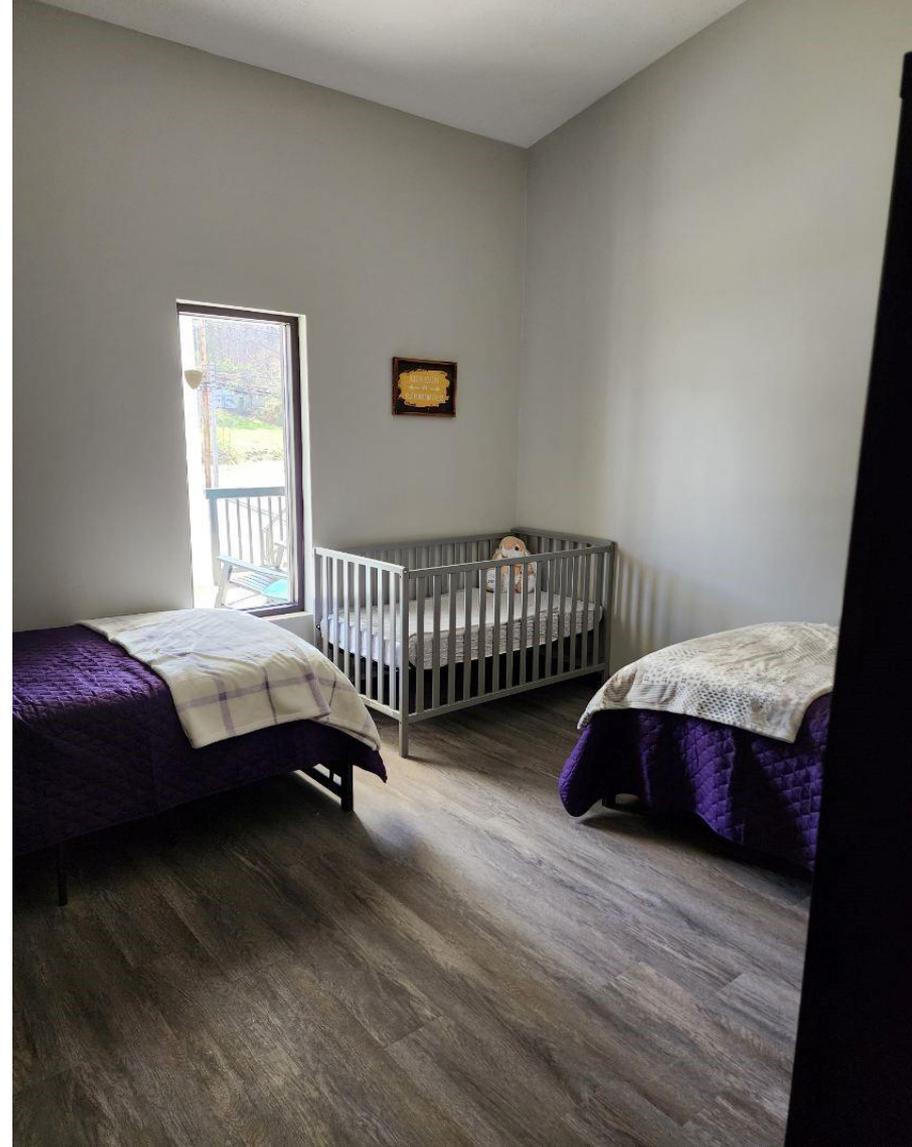


# The Journey – Pathways RHP Project





## The Journey – Pathways RHP Project





## Franklin County Women and Family Services



# Franklin County Women and Family Services

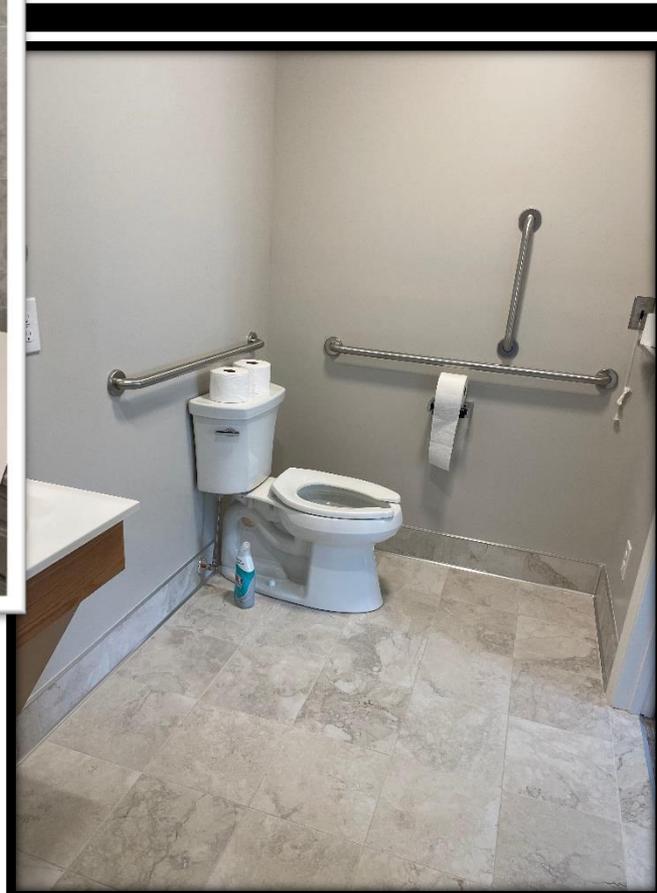




# Franklin County Women and Family Services

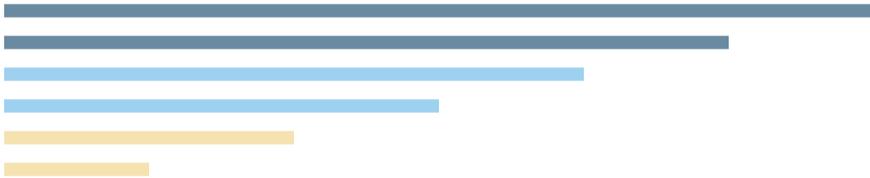


# Franklin County Women and Family Services



# Franklin County Women and Family Services





# Comments/Questions?

- Contact Info

- Mark Williams ([markp.williams@ky.gov](mailto:markp.williams@ky.gov))
- Cole Sutton([colec.Sutton@ky.gov](mailto:colec.Sutton@ky.gov))

- Resources

- <https://www.hudexchange.info/programs/rhp/>
- <https://dlg.ky.gov/grants/federal/rhp/Pages/default.aspx>



# Community Development Block Grant Economic Development Program

The Economic Development Branch works to fund development activities that create or retain jobs principally benefitting low and moderate income (LMI) persons. Additional goals provide for the training and provision of human services that allow for the professional advancement of LMI persons.

There are two types of eligibility for CDBG ED funding:

**Traditional:** Provides grant/loan assistance to communities for projects which specifically address the creation/retention of jobs through eligible activities. Funds can be provided to a community to use for specific business/industrial clients.

**Non-Traditional:** Allows for the funding of eligible activities benefitting LMI persons not directly related to job creation.



# Community Development Block Grant Economic Development Program

CDBG-Economic Development offers two types of funding opportunities available to grantees.

**Loan:** Used for Equipment Purchases, Land Acquisition, and Building Construction

The loan terms for equipment purchases is a 2% rate over 7 years.

There is no penalty for early pay off but the total amount due is still subject to the 2% rate.

Building Construction and Land Acquisition terms are determined upon application submission.

**Grant:** Water Lines, Sewer Lines, Gas Lines, and Rail Spurs

Infrastructure being built with CDBG funds can only be built on publicly owned lands or rights-of-way and can be ran up to a property line.

Federal regulations prevent CDBG funds from being used to enhance private property.

Triggers CDBG requirements for the entire property, including Davis Bacon wage standards.



# Community Development Block Grant Economic Development Program

Steps to take prior to application submission:

- 1.) Contact Jennifer Peters to start the environmental clearance/review process
- 2.) Submit project through the Kentucky e-Clearinghouse program Executive Order 12372
- 3.) Submit project to the State Historic Preservation Office  
Section 106 Review & Compliance for 36 CFR Part 800

CDBG-Economic Development applications are accepted April 1<sup>st</sup> –  
January 31<sup>st</sup>



# Community Development Block Grant Economic Development Program

## Legally Binding Agreement:

The purpose of enacting the LBA alongside the grant agreement is to protect the city or county government in the case of business failure.

Unfortunately, we have seen a couple of projects fail to meet the required national objective in recent years. Having the proper LBA on file will provide the recipient of grant/loan funds protection if the participating party does not meet the national objective.

The LBA places the burden of repayment on the participating party instead of the recipient. This ensures a local community is not hindered by the repayment of a large sum of money.

The total amount of CDBG disbursed minus the subrecipient's collected repayment funds to date equals the total amount the participating party is on the hook for. This reinforces the importance of timely payments from the business, filing first lien liens against equipment purchased using CDBG funds, and the LBA ensure the community is not hit with a large repayment.

We do not want to see any project fail but in case it does happen, DLG would like to protect local communities as much as possible.





# Community Development Block Grant Economic Development Program

- Items to Note:
  - The State Guidelines allow up to \$20,000 per job created or retained.
  - CDBG Economic Development generally cannot participate greater than one-third of the total project cost
    - This allows the project to be a Priority I
    - Funding over one-third makes a project Priority II
  - A Participating Party has two years to meet the National Objective
    - Job Creation with 51% being given to LMI Persons
    - Urgent Need
    - Elimination of Slum/Blight



# Community Development Block Grant Economic Development Program

Economic Development Applications are accepted each year from  
April 1st – January 31st

Economic Development Allocation for this cycle is - \$5,005,449

Staff:

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# Community Development Block Grant Disaster Recovery Program

**The Kentucky Department for Local Government is currently running two CDBG-DR programs:**

- **CDBG-DR 2021 (FEMA 4595 & 4630)**
- **CDBG-DR 2022 (FEMA 4663)**

**CDBG-DR funds can be used for long-term recovery projects such as housing, rebuilding the local economy, and restoring infrastructure. Funds can only be spent to meet the recovery needs caused by the disaster(s) specifically stated in the appropriation. Appropriations have limited the use of funds to the “most impacted and distressed” (MID) areas resulting from the disaster. HUD identifies these areas and 80% of funding must be spent in those areas. The Commonwealth was able to identify their own MID areas from the remaining effected areas that fell under the federal declaration.**



# Community Development Block Grant Disaster Recovery Program

## Timeline of events after a Disaster occurs

- **Disaster Occurs (July 26, 2022)**
- **President Approves Disaster Declaration (July 29, 2022)**
- **HUD and Congress make and approve appropriations totaling \$5 Billion for disaster recovery efforts across the U.S. and Puerto Rico (December 29, 2022)**
- **Federal Register Notice is released (May 18, 2023)**
  - DLG has 120 Days to submit Action Plan to HUD for approval
  - DLG conducts Unmet Needs Analysis and Mitigation Needs Assessment
  - DLG authors the 2022 Disaster Recovery Action Plan
  - Action Plan is posted for public comment period (30 days)
  - DLG holds Public Hearings
  - Revisions are made based on comments received
  - Action Plan is submitted to HUD (December 2023)
- **HUD approves action plan (60 Days after submission)**
  - Received HUD approval in February 2024



# Community Development Block Grant Disaster Recovery Program

Where do we stand today?

- **Small Business Grant Program is currently accepting applications for the 2021 and 2022 disasters.**
- **Public Infrastructure and Storm Water Management application window for the 2021 disaster is closed. The application window for 2022 funding is currently closed but Phase 2 will be opening soon.**
- **Housing is accepting 2022 CDBG-DR applications for all program areas.**
  - **Single Family New Construction**
  - **Multifamily New Construction**
  - **Owner-Occupied Rehabilitation and Reconstruction**
  - **Rental Rehabilitation and Reconstruction**



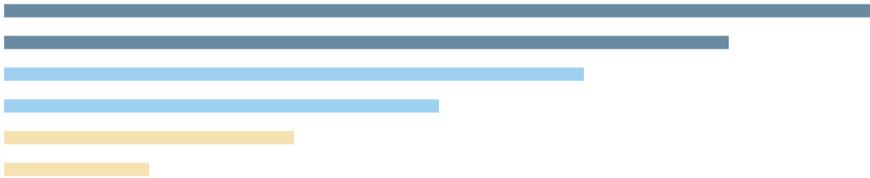
# Community Development Block Grant Disaster Recovery Program

## 2021 Disaster Projects

**47 application received requesting \$150,249,086**

## 2022 Disaster Projects

**19 application received requesting \$78,247,045**



# Comments/Questions?

- Contact Info

- [DLG.DR@ky.gov](mailto:DLG.DR@ky.gov)

- Resources

- <https://dlg.ky.gov/grants/federal/DR/Pages/default.aspx>