

## **2025 Guidelines changes**

Appendices page- Delete; Community Emergency Relief Fund (CERF) is now a stand-alone document. Please contact Department for Local Government at DLG.OFG@KY.GOV for more information.

Page 11- Community Projects amount changed from \$750,000 to \$850,000.

Page 23- Delete;

F. CDBG Community Projects Supplemental Funding

Due to unforeseen rising construction costs, CDBG projects funded between 2018 and 2023 are eligible to request supplemental CDBG funding as a means of last resort to ensure projects are completed in a timely manner. Total CDBG funding may not exceed \$1,000,000 combined between initial CDBG grant award amount and supplemental funding amount. Supplemental CDBG funding may only be utilized to cover cost overages associated with the base bid. Requests for supplemental CDBG funding must include the following:

- Written explanation detailing the need, bidding efforts to date, and timeline of efforts to secure bids on the CDBG grantee's letterhead.
- Copy of the certified bid tabs from all previous bidding attempts.
- Copy of the minutes from each bid opening attempt.
- Copy of the final detailed cost estimate from certified architect on letterhead prior to the first bidding process.
- Written commitment on the contractor's letterhead from the lowest bidder certifying the will hold their bids for 90 days from date of bid opening.

Projects will be evaluated for supplemental funding by the review committee based on eligibility, criteria, and staff comments. In some situations, a project may be eligible for partial supplemental funding requested. In such instances, DLG will negotiate with the applicant to ascertain whether the project can be reduced in size or restructured. As long as CDBG funds are available, requests for supplemental CDBG funding for Community Projects may be submitted.

Page 39- Line F, Table information changed- \$15,000-\$30,000 (Ten Years, First five years 100% remains, 20% annually after first five years) and \$30,001-\$100,000 (Fifteen Years, First five years 100% remains, 10% annually after first five years) were combined into one section, \$15,000-\$100,000 (Ten Years, First five years 100% remains, 20% annually after first five years). \$100,001-\$120,000 assistance amount section changed the percentage from 5% to 10% annually after the first five years.

Page 42- Under Priority III, language changed from “and/or have less than a one-to-one match” to “and has a minimum match of 20%”.

Pages 44-45- New language added;

G. **Public Facilities Design-Only Criteria**

Design-Only projects are projects where CDBG dollars are used to provide design only, the entity will perform the desired work with a CDBG procured engineering firm. The project must be completed within 18-months of award and the maximum amount per grant is \$200,000.

The total amount for Design-Only projects (which is derived from the Public Facility allocation) will not exceed one million dollars. For a Design-Only project to be funded, a determination must be made regarding project need, reasonability of costs and overall project effectiveness. To make this determination, the following considerations will be applied to each project:

1. **Project Need**

The applicant must substantiate that the project addresses a deficiency in public facilities and/or document health and safety needs which affect the community. LMI must be established.

2. **Necessary and Reasonable Expenditure of CDBG Funds**

The applicant must substantiate that CDBG funding is necessary to meet the identified need(s), the impact of CDBG dollars is maximized and the use of CDBG funds are reasonable. Documentation of funding commitment letters from the other funding sources must be included in the application, if applicable. The other funding commitments may be contingent on CDBG funding.

3. **Project Effectiveness**

The applicant must substantiate that accomplishments would be significant given the need, amount of funds requested, local effort and program design. Communities must demonstrate their ability to complete the project within 18 months. Projects must be included in and prioritized by the Kentucky Water Management Plan created pursuant to KRS Chapter 151A to receive a grant offer.

H. **Design-Only Project Priority**

Projects will be placed in one of two priorities:

Fundable: Applications in this category have met all program requirements, have project needs and/or benefits which are significant, all

other funds are firmly committed if applicable, Regionalization issues are addressed where feasible.

Not Fundable: Applications in this category may not have met all program requirements and the project is not recommended for funding due to one or more serious deficiencies.

DLG has developed specific Design-Only Guidelines for communities that may be interested in this program. These guidelines may be viewed at [www.dlg.ky.gov](http://www.dlg.ky.gov).

Pages 45-46- Delete;

H. **Negotiations**

DLG reserves the right to negotiate funding amounts and payment schedules with certain Priority II and III applicants. Negotiations may be appropriate for, but not limited to, situations such as demand exceeding amount of funds available and the existence of project readiness issues. Such negotiations may result in the award of a planning grant with conditional commitment of construction financing in future program years.