

Introduction

The Department for Local Government

The Department for Local Government (DLG), under the Office of the Governor, provides financial help in the way of grant and loan assistance, as well as advising local governments in matters of budget, personnel, and other issues relevant to those entities.

The Community Development Block Grant – Disaster Recovery (CDBG-DR) Program

The U.S. Department of Housing and Urban Development (HUD) announced in 2022 that the Commonwealth of Kentucky would receive Community Development Block Grant – Disaster Recovery (CDBG-DR) funding to support long-term recovery and mitigation efforts following the 2021 severe storms, flooding, landslides, and mudslides (DR-4595) and the 2021 severe storms, straight-line winds, flooding, and tornadoes (DR-4630) through the Kentucky Department of Local Government (DLG). CDBG-DR funding is designed to address the needs that remain after all other assistance has been exhausted. HUD allocated CDBG-DR funds to the Commonwealth of Kentucky in two tranches.

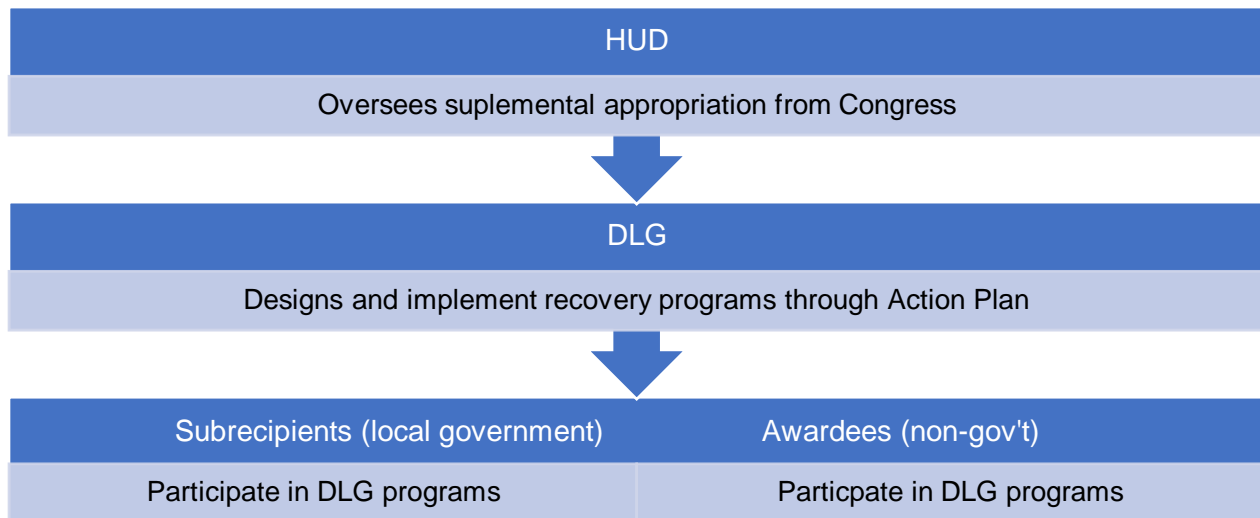
In mid-2022, HUD allocated \$74,953,000 in CDBG-DR funds to the Commonwealth of Kentucky through publication in the Federal Register, Vol. 87, No. 100, May 24, 2022 (87 FR 31363). This allocation was made available through the Disaster Relief Supplemental Appropriations Act of 2022 (Pub. L. 117-43) and approved on September 30, 2021 (the Appropriations Act).

In early 2023, HUD allocated \$49,983,000 in CDBG-DR funds to the Commonwealth of Kentucky through publication in the Federal Register, Vol. 88, No. 11, January 18, 2023 (88 FR 3198). This allocation was made available through the Disaster Relief Supplemental Appropriations Act of 2023 (Pub. L. 117-180) and approved on September 30, 2022 (the Appropriations Act).

The Governor's office has designated DLG to be the lead agency in administering the CDBG-DR funding for the Commonwealth.

To meet disaster recovery needs, enhance flexibility, and allow for quicker recovery, the statutes that make CDBG-DR funds available now have additional requirements and authorize HUD to modify the rules that apply to the annual CDBG program. HUD does this through a Federal Register Notice as referenced above. Once the initial notice was published DLG, drafted an Action Plan which further broke down the funding allocation into specific programs, and possible subrecipients, translated the federal register rules, and described how the funds were to be spent in a manner that is applicable to the needs of the communities in Kentucky. Once HUD approved the Action Plan, they will initiate a grant agreement with DLG in order to begin funding the programs outlined in the Action Plan.

In order to grasp the scope of this process, below is a graphic displaying the basic steps of the CDBG Process:



The Subrecipient Handbook

The purpose of this handbook is to:

- ✓ Assist subrecipients in the day-to-day administration of CDBG-DR projects.
- ✓ Provide practical information on how to implement a CDBG-DR project that will meet legal, financial, and program obligations.
- ✓ Provide the subrecipient with a simple step-by-step approach for the implementation of CDBG funded projects including grant approval, set-up, compliance with applicable requirements, audits, and close-out.
- ✓ Provide tools to assist in CDBG-DR project implementation. The tools include tips, lists, forms, and sample documents that are in the chapter or in the attachments to each chapter.

The CDBG-DR Subrecipient Handbook is designed as a guide for subrecipients to understand the Kentucky DLG programs and the rules that follow. In each section, DLG will highlight the CDBG-DR changes from the regular CDBG program. The federal register call outs will highlight the modifications to the day-to-day processes of a grant as well as introduce the requirements and changes for each category brought by the Federal Register notice.

Note, however, that this Handbook is intended as a guide and reference, not as a substitute for thorough knowledge of State and Federal laws and regulations referenced in the handbook. Though not all inclusive, this Handbook covers the major areas of CDBG-DR administration, provides required and suggested forms and instructions, and provides references for applicable State and Federal laws and regulations.

As necessary, revisions or additions to this Handbook will be issued to current administrators of CDBG-DR projects. This Handbook should be retained and kept up to date to ensure effective administration of CDBG-DR grants. The latest versions of the Handbook can be found on the DLG website.