

SERVICE

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DEDICATION

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**Federal Changes since 2025 –Summary as
e
of June 30, 2026**

Environmental Review

Projects in Floodplains and Wetlands should continue to follow [24 CFR Part 55](#) regulations and processes

Federal Flood Risk Management System was rescinded under [EO 14148](#)

HUD has a proposed rule open for comments

<https://www.federalregister.gov/documents/2026/07/10/2026-13939/rescission-of-floodplain-management-and-protection-of-wetlands-minimum-property-standards-for-flood>

Section 3

Project Threshold Increase - [Effective March 2026](#)

The threshold for Section 3 applicability for Housing and Community Development increased from \$200,000 to \$300,000

Section 3 Reporting –This data is to be collected with each payroll submittal.

HUD FAQ Resource for Section 3 – [Published February 2025](#)

Procurement

Build America, Buy America (BABA) is the newest federal cross cutting compliance area, and applies to all federally funded projects covering range of infrastructure activities.

We will be posting DLG Guidance on the Federal Grants webpage
SOON

For additional information see the BABA Implementation Guidance in Notice CPD-25-01 – [Issued January 2025](#)

KY small purchase amount has increased to \$50,000

Uniform Relocation Act

Uniform Relocation Act New Final Rule – [Effective June 2024](#)

Summary of Changes

Increased Valuation Thresholds

Appraisal waiver valuation increased from \$10,000 to \$15,000

Amount to exceed appraisal waiver valuation increased from \$25,000 to \$35,000

Clarified that relocation requirements apply equally to both permanent and temporary relocation

Increased reimbursement and moving expenses amounts

Application Fees and Credit Checks – Reimbursement up to \$1,000

Business search costs – Increase from \$2,500 to \$5,000

One-time payment of up to \$1,000 for minimum documentation

Non-residential relocation re-establishment expenses – Increase from \$25,000 to \$33,200

Fixed move for businesses, farms, and non-profits – Increase from \$20,000 to \$53,200

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Housing Replacement Payment for 90 Day Homeowner – Increase from \$22,500 to \$41,200

Rental Assistance for 90 Day Occupant – Increase from \$5,250 to \$9,570

Downpayment assistance for home purchase – Increase from \$5,250 to \$9,570

Updated resources and implementation guidance from HUD is still pending Overall URA implementing regulations at [24 CFR Part 24](#), and additional implementing regulations URA for CDBG at [24 CFR Part 42](#)

Fair Housing

Interim Final Rule on Affirmatively Furthering Fair Housing [90 FR 11020 – March 2025](#)

HUD equal access protections remain in effect under [24 CFR 5.106](#) that housing be made available without regard to sexual orientation, gender identity or marital status

Definitions for the phrases “fair housing” and “affirmatively further” were codified under [24 CFR 5.150](#)

Grantees must continue to certify that they are taking actions to affirmatively furthering fair housing per regulations at [24 CFR 5.151](#)

For both state and local government, when records are being kept related to fair housing and equal opportunity these records should “include data on the racial, ethnic, and sex characteristics of persons who are applicants for, participants in, or beneficiaries of the program” per 24 CFR 570.490

Related Executive Orders:

[EO 14151](#) – Ending Radical and Wasteful Government DEI Programs and Preferencing

[EO 14173](#) – Ending Illegal Discrimination and Restoring Merit-Based Opportunity

[EO 14224](#) – Designating English as the Official Language of the United States

Financial Management

Audit requirement threshold updated per [2 CFR 200 Subpart F](#).

Organizations expending more than \$1,000,000 in their fiscal year must obtain a single audit, increasing from the previous threshold of \$750,000

Recordkeeping

Per [24 CFR 570.506\(g\)\(1\)](#) grantees must maintain fair housing and equal opportunity documentation certifying that they will affirmatively further fair housing in accordance with 24 CFR 5.150 and 5.151

The Renewing Opportunity in the American Dream (ROAD) to Housing Act (S. 2651) is major bipartisan housing legislation designed to expand housing supply, reduce regulatory burdens, and reform federal housing and disaster recovery programs.

Introduced by Senate Banking Committee Chair Tim Scott and Ranking Member Elizabeth Warren, the legislation includes several key pillars:

Key Provisions

Housing Supply & Regulatory Reform: Directs the Department of Housing and Urban Development (HUD) to publish guidelines for state and local zoning to support housing production, streamlines National Environmental Policy Act (NEPA) reviews for small or infill projects, and ties certain local Community Development Block Grant (CDBG) funds to housing production incentives.

Disaster Recovery Authorization: Permanently reauthorizes the **CDBG-Disaster Recovery (CDBG-DR)** program to provide long-term disaster recovery, restoration, and mitigation support to affected communities.

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Rural & Manufactured Housing: Reforms USDA rural housing programs (such as allowing Section 515 properties to maintain rental assistance after mortgages mature) and modernizes rules for manufactured housing to reduce construction costs.

Program Streamlining & Inspection Efficiency: Reduces administrative duplication by allowing housing units funded via Low-Income Housing Tax Credits, HOME, or Rural Housing Service programs to automatically satisfy Housing Choice Voucher inspection standards if inspected within the past year.

Other News:

OMB has a new proposed rule that would restructure 2CFR Part 200.

This proposal will affect federal funding in many ways. The comment window closed July 13th. Over a thousand comments were submitted.

Congress passed a CR which will postpone the effective date from October 1 to December 11th, 2026.

https://www.federalregister.gov/documents/2026/05/29/2026-10817/regulation-for-federal-financial-assistance#msdynmkt_trackingcontext=01203779-5d91-434b-b9e1-05c188ad0000

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Other News Continued:

The 2025 CDBG handbook has been restructured.

This will be posted on the Federal Grants Webpage once final review is complete.

There will be new forms and processes included.

Hard dates: Due to additional requirements the submittal dates for draw requests are now hard-set dates. These are the 3rd and 18th of each month.

We are discussing a CDBG administrator recertification class. TBA

CDBG applications Deadline Reminders:

Public Facilities: September 1, 2026

Contact: Jennifer.peters@ky.gov

Community Projects: September 1, 2026

Contact: travis.weber@ky.gov

Housing: February 1, 2027

Contact: travis.weber@ky.gov

Public Services - Recovery Kentucky: February 1, 2027

Contact: colec.Sutton@ky.gov

Economic Development: March 1, 2027

Contact: gabe.nickell@ky.gov