

SERVICE

COLLABORATION

LEADERSHIP

TEAMWORK

DEDICATION

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50 Years

Maximizing Economic Revitalization & Project Success in Your Community through CDBG-ED

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Economic Development Branch



Who are we? How can we help you?

TEAM
KENTUCKY



ECONOMIC DEVELOPMENT BRANCH MANAGER

**GABE
NICKELL**

OFFICE OF FEDERAL GRANTS

TEAM
KENTUCKY



LOCAL GOVERNMENT ADVISOR

**TREY
GREENWELL**

OFFICE OF FEDERAL GRANTS

TEAM
KENTUCKY



LOCAL GOVERNMENT ADVISOR

**EMMA
STEVENSON**

OFFICE OF FEDERAL GRANTS

DLG is here to assist you with your local government and community development needs through the many state and federal grants housed in our office.

The Economic Development Branch at DLG is here to assist you with CDBG job creation or retention projects involving business expansion, business infrastructure improvements, low-interest equipment loans, and job training projects in your community.

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What is CDBG?

- The Department for Local Government (DLG) administers approximately \$26 million annually from the U.S. Department of Housing and Urban Development's (HUD) Community Development Block Grant (CDBG) program.
- DLG splits these funds among major program areas.
- Economic Development projects involve activities that are designed to:
 - create new jobs
 - retain existing employment opportunities
 - stimulate private investment
 - provide training and human services that allow for the advancement and upgrade in skills of LMI working persons
 - revitalize or facilitate the growth and diversification of the local economy



What is CDBG-ED?

General Program Overview:

- Project must be centered around meeting the CDBG National Objective: low-to moderate-income (LMI) Job Creation or Retention
- Types of CDBG-ED Projects:
 - Traditional (job creation or retention)
 - Non-Traditional (job training/support)
 - Multi-jurisdiction
- **At least 51%** of jobs created or retained must be held by LMI persons.
- For non-traditional projects, **at least 51%** of the people benefiting from a program or job training must be LMI.
- CDBG-ED offers \$20,000 for each full-time equivalent job created/retained.
- Assistance can be provided to both for-profit and non-profit companies.
- All cities and counties are eligible to apply for the funds, except entitlement communities.
- Application Submission: **April 1, 2026 – March 1, 2027**



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Traditional vs. Non-Traditional Economic Development

There are two main types of CDBG-ED projects:

- **Traditional (T)**
 - Projects that specifically address the creation or retention of jobs through the provision of assistance to specific industrial and/or commercial clients.
 - The CDBG cost per job created/retained should not exceed \$20,000.
 - Example: a business needs manufacturing equipment and wants to hire 20 new FTE employees. An IDA or LDA may lease the equipment to the business, and the business must hire all 20 employees, of whom 51% are LMI.
- **Non-Traditional (N/T)**
 - Funding for activities, including but not limited to job training and placement, as well as other support services, such as peer support, counseling, childcare, and transportation.
 - Example: Your local KCTCS campus wants to renovate a building into a regional workforce hub that offers vocational training and job placement. Rehabilitation of the building may be completed, provided the job training program serves predominantly LMI persons (at least 51%) and assists them with job placement.



CDBG-ED Funding Allocation

Kentucky's 2026
Allocation for CDBG -
ED is
\$3,300,000

Funding Limitation
for Traditional
Projects is
\$1,000,000

Funding Limitation
for Non -Traditional
Projects is
\$300,000

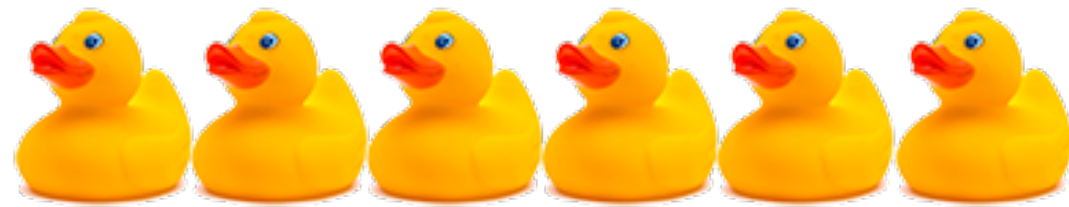
Traditional Multi -
Jurisdiction
Applicants may
jointly request up to
\$2,000,000

Non -Traditional
Multi -Jurisdiction
Applicants may
jointly request up to
\$600,000

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Where do I start?



get your ducks in a row

- ✓ Ensure all Threshold Requirements are met
- ✓ Identify Scope of Work
- ✓ Ensure you are up to date on the latest CDBG program policies and guidelines
- ✓ Ensure all activities identified are eligible to be funded according to CDBG program policies
- ✓ Acquire a Certified CDBG Administrator
- ✓ Budgeting
- ✓ Public Hearings
- ✓ Environmental Review—no work may be completed; no funds may be drawn until this is complete
- ✓ E-Clearinghouse—New Look!
- ✓ SAM.gov
- ✓ Connect with us—Communication is key!

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DLG Resources

- Visit dlg.ky.gov for information on all state and federal grant programs offered at DLG
- For more information on CDBG, visit Federal Grants -> Community Development Block Grant
- From this page, you can access the most up-to-date KY CDBG program information, including funding allocation, application deadlines, the CDBG Handbook, official CDBG forms, and staff contact information
- The CDBG Handbook provides guidance on project administration
 - See Chapter 11: Economic Development
- The CDBG Guidelines and Applications page provides program-specific DLG policies and application forms that are updated annually
 - New AI policy update to applications
- When in doubt, reach out to us! We are happy to meet with you to discuss resources and options for your community

The screenshot displays the official website of the Kentucky Department for Local Government (DLG). The header includes the Ky.gov logo and navigation links for Cities, Grants, Counties, Legal, Documents, and Contact. A prominent green banner reads "COMMUNITY DEVELOPMENT BLOCK GRANT". Below this, a breadcrumb trail shows the path: Home / Grants / Federal Grants / Community Development Block Grant. The main content area is divided into two columns. The left column contains introductory text about the DLG's role in administering the HUD CDBG program and lists three national objectives: benefit to low and moderate income persons, prevention of slums or blight, and meeting urgent community development needs. The right column, titled "Program Areas and Allocations", lists five categories with their respective funding amounts for the 2026 cycle: Community Projects (\$5,803,703), Community Emergency Relief Fund (CERF) (TBD), Economic Development (\$4,516,930), Housing Program (\$3,353,572), and Public Facilities.

Ky.gov An Official Website of the Commonwealth of Kentucky

Kentucky Department for Local Government

TEAM KENTUCKY DEPARTMENT FOR LOCAL GOVERNMENT | New Kentucky Home

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Federal Grants State Grants

COMMUNITY DEVELOPMENT BLOCK GRANT

Home / Grants / Federal Grants / Community Development Block Grant

The Department for Local Government (DLG) administers approximately \$26 million annually from the U.S. Housing and Urban Development's (HUD) Community Development Block Grant (CDBG) program.

The CDBG program provides assistance to communities for use in revitalizing neighborhoods, expanding affordable housing and economic opportunities, providing infrastructure and/or improving community facilities and services. With the participation of their citizens, communities can devote these funds to a wide range of activities that best serve their own particular development priorities.

All project activities must meet at least one of three national objectives:

- Benefit to low and moderate income persons
- Prevention or elimination of slums or blight
- Meeting particularly urgent community development needs

For the 2026 funding cycle, DLG will receive \$25,988,523 for distribution. Funds are designated for various program areas including Community Projects, Community Emergency Relief Fund, Economic Development, Housing Program, and Public Facilities.

Program Areas and Allocations

- Community Projects
 - \$5,803,703
- Community Emergency Relief Fund (CERF)
 - TBD: Amount based on need
- Economic Development
 - \$4,516,930
- Housing Program
 - \$3,353,572
- Public Facilities

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Financing Your Project—Matching Funds & Leveraging Partnerships

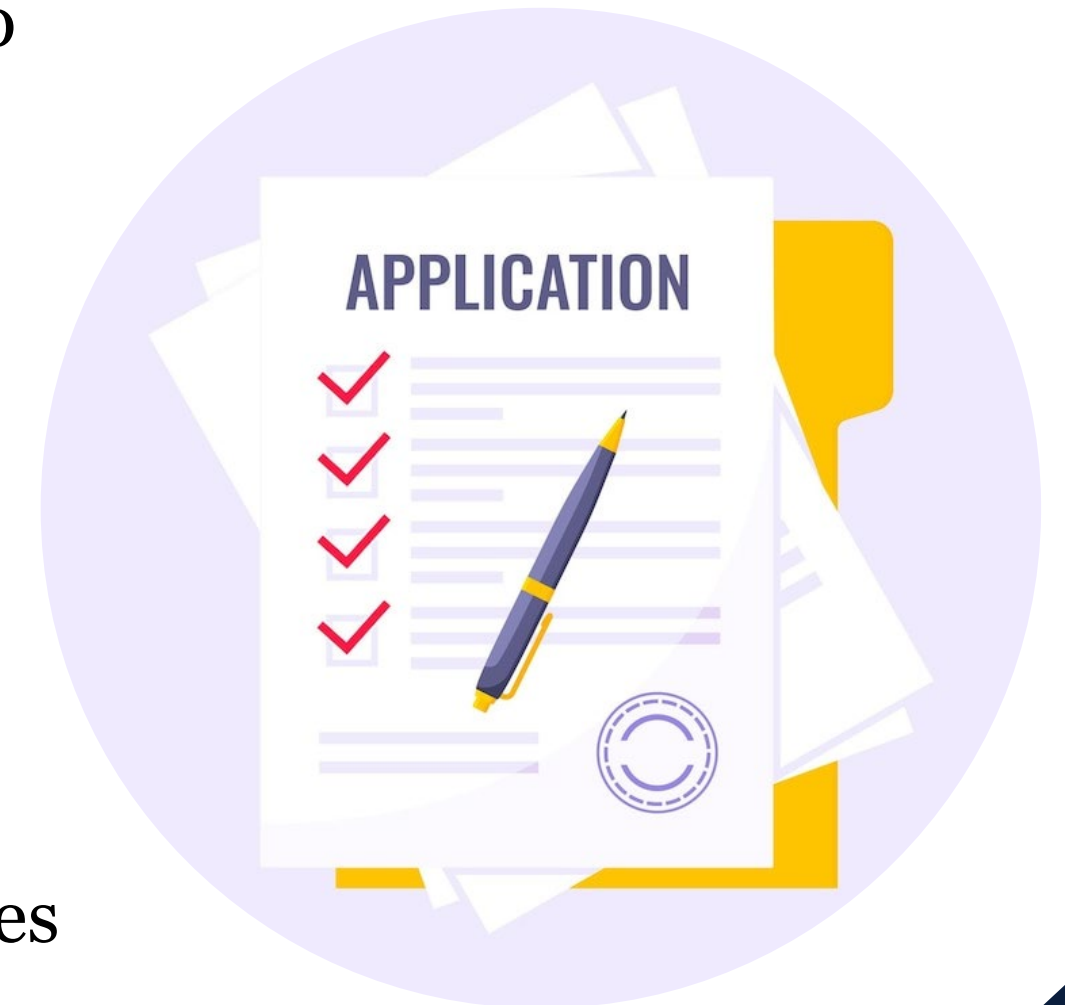
- CDBG-ED usually funds up to 1/3 of total project costs—matching funds are very important!
- Ensure matching funds are firmly committed—provide proof of this in the application
- We like to see businesses involved in a project contribute matching funds
- Matching Funds can be obtained from a variety of sources, including GRANT, ARC, EDA, local contributions from the city or county, and more—DLG is happy to assist you in this respect
- We want to see financials—financial statements, bank letters, etc. to provide proof of funding availability



Application Process—How to Sell Your Project

To be considered for funding, an application must effectively demonstrate the project's need, the reasonableness of costs, and the project's overall effectiveness. Beyond this, we want an application to tell a story:

- ✓ Who are you as a community, and what economic development needs do you face?
- ✓ How will this proposed project enhance economic revitalization in your community?
- ✓ Why is job creation/retention needed in your community?
- ✓ What will the business expansion/retention bring to your community?
- Be sure to stay up to date on the latest CDBG guidelines and policies to ensure all proposed activities are eligible
- Ensure the Cost Summary is accurately filled out and all committed funding sources and eligible activities are identified
- Work with a CDBG-certified grant administrator



CDBG Award & Compliance

- Ensure all ducks are in a row so that clearances are granted efficiently so as not to halt project momentum
- Legally Binding Agreements between all parties—Protect your community!
- Meet with DLG prior to applying and again prior to the execution of the Grant Agreement
- The Grant Agreement will specify the evidentiary material to be submitted for release of funds—see Chapter 1: Project Administration, CDBG Handbook
- A timely submission of evidentiary material is critical to release of funds and project momentum—within 90 days of preliminary approval
- Monitoring & Technical Assistance
 - If the project is stalled due to unforeseen circumstances, reach out to us for technical assistance!
 - Regular communication, good recordkeeping, and organization are key to a smooth monitoring process
- Surveying & Project Completion/Closeout
- Regular Reporting



Non-Traditional Project Success Story: Webster County Regional Workforce Development Complex

- Webster County applied for CDBG-ED funds to acquire property to create a workforce development center, as part of Madisonville Community College's goal of providing job training to displaced coal workers and bridging the workforce gap in the community
- The College provided curriculum for the programs offered, including Commercial Driver's License (CDL), utility lineman, and diesel mechanic training
- CDBG-ED funds were used to purchase property previously used for mining administration and renovate it into the Webster County Regional Workforce Development Complex, or Lisman Workforce Complex, which serves LMI individuals in job training and placement
- The program has since expanded to serve surrounding counties and cities



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Non-Traditional Project Success Story: Webster County Regional Workforce Development Complex



- Since 2019, the utility line technician program has grown by 68%
- Graduates from the Workforce Development Complex achieve more than a 93% placement rate in their professions within six months of completion
- In 2025, Madisonville Community College received an award for the success of its workforce development program. The Bellwether Award recognizes innovative and impactful programs that drive student success and economic growth

Traditional Project Success Story: Green River Meats, LLC.

- Taylor County requested CDBG-ED funding to invest in meat processing and packaging equipment for Green River Meats, LLC, and to create 20 new full-time jobs, with 51% of those jobs held by LMI individuals
- The Campbellsville Taylor County Economic Development Authority was given funds to purchase equipment and then leased it to Green River Meats
- The EDA held a first-line lien on the equipment purchased
- The EDA also retained any program income in a revolving loan fund to finance future economic development projects in the community



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Traditional Project Success Story: Green River Meats, LLC.

- As a result of CDBG-ED funding for the needed equipment, Green River Meats was able to set up an affordable meat packaging and processing operation that both supports local farmers and the local economy through LMI job creation
- Green River Meats was able to hire all employees and meet the 51% LMI job creation national objective
- Green River Meats has since expanded its operations, offering high-quality meats sourced from local farmers
- The loan payments that were recaptured by the EDA went into a revolving fund to assist future community economic development needs



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Generating Economic Revitalization in Your Community

- Bringing smart investments to your community—what businesses/industries would or do thrive in your community?
- Consider assets in your community—industrial parks, railways, waterways, tourism, agriculture, real estate, etc.
- Consider workforce gaps and potential business retention and expansion needs in your community—plan for the long-term
- Conduct surveys and market studies on growing sectors, consumer demand, workforce gaps, and foreign investment in KY
- Revolving Fund (RF)—see Chapter 3: Financial Management, CDBG Handbook
 - Use of funds subject to DLG oversight and approval. Federal requirements, such as Davis-Bacon and LMI provisions, may apply.
 - Some eligible uses of RF include:
 - Loans/grants for acquisition and assembly of land for industrial/commercial use
 - Loans/grants for acquisition of properties with redevelopment potential for industrial/commercial use
 - Loans for the start-up and/or expansion of industries
 - Loans for the rehabilitation and renovation of usable vacant buildings for specific industrial/commercial use
- Program Income/LDA proceeds/Miscellaneous Revenue reports—compliance is key!
- Continue to leverage state, local, and non-profit partnerships
- Regional workforce development programs—connect with KCTCS



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Maximizing Project Success in Your Community

- Regular communication between all parties & DLG—meet with us!
- Ensure businesses are investing in your project—skin in the game
- Compliance monitoring—keep up with DLG
- Project administration—recordkeeping, hiring plan to keep on track, surveys
- Ensuring the national objective is met & compliance with all state and federal requirements
- Legally binding agreements to protect the city or county
- Form strong partnerships with community organizations and stakeholders—local small businesses, neighborhood developers, non-profit developers, KCTCS, city/county officials, ADDs, state agencies, etc.
- Collaboration & Communication are key to project success!



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Important Notes & Resources

- We are here to help you with your community economic development needs. Even if you do not have a completely developed project, reach out to us for technical assistance!
- Visit dlg.ky.gov regularly for program updates and announcements
- **CDBG-ED Application Submission: April 1, 2026 – March 1, 2027**

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We Want to Work with You!

Contact Us!



Department for Local Government

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