Kentucky Appalachian Regional Commission Area Development Program Overview

Appalachian Regional Commission Overview

The Appalachian Regional Commission (ARC), established through the Appalachian Regional Development Act of 1965, is an economic development entity representing a partnership of federal, state, and local governments. ARC's footprint spans 423 counties across 13 states. This includes all of West Virginia and parts of 12 other states: Alabama, Georgia, Kentucky, Maryland, Mississippi, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, and Virginia. Learn more about ARC.

Area Development Program

Within the scope of ARC's **strategic plan**, ARC's Area Development program makes investments in two general areas: critical infrastructure and business and workforce development. Critical infrastructure investments mainly include water and wastewater systems, transportation networks, broadband, and other projects anchoring regional economic development. Business and workforce investments primarily focus on entrepreneurship, worker training and education, food systems, leadership, and other human capital development.

ARC Strategic Investment Goals

All applications must address one or more of ARC's five strategic investment goals. Learn more about ARC's strategic investment priorities at arc.gov/strategicplan.

Kentucky Strategic Goals

All applications must address one or more of Kentucky's five strategic investment goals. Learn more about Kentucky's strategic investment priorities here: ARC Development Plan 2021-2025 - Kentucky.pdf

Organizations Eligible for Funding

Eligible applicants for Kentucky's ARC Area Development program include the following:

- Local development districts (LDDs)
- Indian tribes or a consortium of Indian tribes
- States, counties, cities, or other political subdivisions of a state, including a special purpose unit of a state or local government engaged in economic or infrastructure development activities, or a consortium of political subdivisions
- Institutions of higher education or a consortium of institutions of higher education
- Public or private nonprofit organizations or associations, including but not limited to faith-based organizations.

All organizations applying for funding **must** have an active registration in SAM.gov and active Unique Entity Identifier (UEI) prior to applying. This registration must also remain active throughout the duration of the grant

Ineligibility

ARC does not award grants to the following:

- Individuals
- For-profit entities
- Projects serving only Appalachian counties designated as attainment counties (learn more here)
- Proposed projects outside of the Appalachian Region
- Proposed projects that fully or partially duplicate or overlap with open or previously awarded ARC grants

Matching Requirement

Applicants must demonstrate a cost share (or a "match") from non-ARC sources:

- Matching funds can be federal or non-federal contributions, or a combination of both. They can be cash or in-kind.
- Matching funds must be allowable under federal grant regulations, 2 CFR 200.306(b). They must help you meet the goals of your proposed project.
- Matching funds must meet the minimum required match amount, which is determined by the ARC classification of the county or counties served by the proposed activity (distressed – 20%; at-risk – 30%; transitional – 50%; competitive – 70%; and attainment – ineligible).
  - This table summarizes ARC's five economic designations and the match requirement for each Appalachian county.

Multi-County Projects

Special matching rules apply to projects that are carried out in more than one county.

1) If there is a distressed county in a project:
   a) and at least half the counties are distressed, the project may be funded at up to 80% of project costs;
   b) and at least half the counties are in some combination of distressed and at-risk, ARC assistance can be the higher of 70% of project costs or the average percentage applicable to the various counties in the project; and
   c) but fewer than half the counties are distressed, ARC assistance can be the higher of 50% of project costs or the average percentage applicable to the various counties in the project.
2) If there is no competitive county or attainment county in a project, and at least half the counties are at-risk, the project may be funded at up to 70% of project costs.
3) All other projects shall be funded at the average percentage applicable to the various counties in the project; except that the portion of a project, which is attributable to an attainment county in a project not including a distressed county, shall be considered ineligible for ARC assistance and may not be considered for matching purposes.
   - Use ARC's match rate calculator to help you determine the required match.

Eligible Projects must:

- Target counties within the Appalachian Region as indicated by the Appalachian Development Act of 1965
- Advance at least one ARC goal and an associated objective as outlined in ARC's current strategic plan
- Advance at least one goal and objective of Kentucky as found in the state strategic plan
- Demonstrate impact using ARC's Guide to Performance Measures. All projects must include at least one output and one outcome as a documented measure of their performance.
- Adhere to all E.O.s and align with the priorities of the current administration.

For a list of project types and examples of eligible project scopes, please visit Application Guidance by Project Type - Appalachian Regional Commission.

Grant Types

Planning Grants

Planning grants are for the creation of economic development plans, strategies, and feasibility studies that will help communities grow their economies. Planning grants should result in grantees acquiring a better understanding of their existing assets, identifying beneficial resources and partnerships, defining strengths and needs/gaps, and focusing their future efforts through cost/benefit analyses. Planning grants can also fund the design of future construction projects. The objective of planning projects is to prepare grantees with data-driven plans to guide future implementation projects; therefore, no activities in the scope of work can include the delivery of a program or services.

Implementation Grants

Implementation grants are for programmatic delivery of eligible activities in line with ARC investment priorities. Funding is available for both construction and non-construction activities.

Guiding questions to determine if the project contains construction elements:

1) Is an architect or engineer needed to design the project?
2) Will you hire professional contractors to complete the construction-related activities?
3) Is a building permit needed?
4) Will the space need to be inspected before it's used?
5) Are you expanding the footprint of an existing building?
6) Does your project include new electrical, plumbing, HVAC, poured concrete, or an elevator?
7) Is dirt being moved or is a road being built?
8) Are special tools and equipment required because of the large scale and/or complexity of the work?
9) Does the scope include demolition or alteration of existing physical assets?

10) Are any of these questions true for match being contributed to the project?

Construction Project Requirements

Upon invitation for a full application, all construction projects must meet the following requirements:

- Basic Agencies
    - All ARC construction projects must be administered by a registered federal or state basic agency. In Kentucky, this could be the Kentucky Department for Local Government, or the U.S. Department of Agriculture – Rural Development. Upon submitting a full application, applicants must have a commitment letter from a basic agency.
- Preliminary Engineering or Architectural Report
    - Upon submission of a full application, applicants must have **EITHER** a Preliminary Engineering Report (PER) or Preliminary Architectural Report (PAR) that was completed within the last twelve months. This should include preliminary project design, as well as an opinion of probable cost, and should be stamped by either the engineer or the architect.
    - The PER or PAR must be completed before submission of a full application and is **not** eligible for reimbursement on implementation projects. If your organization cannot procure a PER or PAR prior to submitting a full application, please consider applying for a planning grant.

Tourism Construction Requirements

- In addition to meeting the above requirements, all tourism projects that contain construction elements **must**:
    - Be an integral part of a strategic plan for the community and/or region, **and**
    - Meet the highest standards of a cost-benefit analysis and/or feasibility study as to economic outcomes.

The strategic plan and feasibility study must be completed prior to submitting a full application and are not eligible for reimbursement on implementation projects. If your organization cannot procure a strategic plan and feasibility study prior to submitting a full application, please consider applying for a planning grant. For further details on documentation required by the ARC Policy of Travel and Tourism for Construction Projects, please visit Guidance on Documentation Travel and Tourism for Construction Projects.