

Community Development Block Grant
2020 Program Guidelines Proposed Changes/Rationale

February 17, 2020

Continuation in Funding Amounts and Split of Funds:

- The **allocation for 2020** (Page 10 of the Proposed 2020 Program Guidelines) is the **estimated** amount to be received for 2020. See breakout at the bottom:
 - **Reason:** The allocation estimate for 2020 is based on the 2019 actual numbers. The budget for HUD’s formula grant programs including CDBG has been in the \$3 billion dollar range in recent years. There has been a budget passed for 2020 however the State allocations have not been announced. The agency wide budget could change and there could be some small changes in the way HUD distributes the funds among its many programs. We await HUD final amounts and LRC will be notified.

- The split of funds among the program areas was left the same as 2019.
 - **Reason:** The split of funds remains mostly the same since the percentages still relate well to the number of applications received and amounts requested. Please note the rational for the CERF budget of zero. In regard to CERF, it is impossible to project how much money will be needed since it is restricted to emergencies declared by the Governor. If there are emergencies, the Commissioner of DLG has authority to move funds from other program areas at any time in an amount required to address the needs.

Main Changes:

General Information

- On page 11 Community Projects: the grant ceiling was increased from \$500,000 to \$750,000
- On page 16 under **Site Visits/Consultations**, DLG **will require** all potential CDBG project applicants to meet with DLG staff at a **minimum of 45 days** prior to application submittal.

Page 24 Item K has been added under Community Projects: The approval from Housing Building and Construction is now required with the application.

- Page 42 Under the Public Facilities Category the cost per household has been increased from \$12,000 per to \$15,000. The minimum individual water or sewer rate has been increased from \$20 per 4,000 gallons to \$30 and a combined rate increase from \$40 to \$60.
- **Minor Housekeeping/Cleanup Changes:**
 - **Dates** were changed in numerous places such as “Thresholds” pages 7-8 to reflect the current year.

- The application window for **Community Projects** and **Public Facilities** projects will be **April 1, 2020 – August 3, 2020**. The application window for **Economic Development, Housing, CERF, and Public Services** will be **April 1, 2020 – February 28, 2021**.
- **Reason:** This change is listed throughout the Guidelines. It just moves the dates one year forward.

- **2020 CDBG Proposed Split of Funds**

Kentucky's Allocation (<i>estimate</i>)	\$25,412,718*
Less Administrative Cost (3% + \$100,000)	<u>\$862,382</u>
Total Amount for Distribution	\$24,550,336

<u>Program Areas</u>	<u>Total Dollars Available</u>
Public Facilities	\$7,732,782
ED	\$5,532,783
Community Projects	\$5,284,771
Housing	\$2,900,000
Public Service (Recovery KY)	\$3,100,000
CERF	Amt. to be Determined

- The 2020 allocation has not been specifically determined but estimate should be close.