



KENTUCKY CERTIFIED LOCAL GOVERNMENT PROGRAM MANUAL

Revised 2008

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Kentucky CLG Application

INTRODUCTION

In 1966, Congress established a preservation program for the United States, which has operated as a decentralized partnership between the federal government and the states. In the simplest of terms, the federal government established a program of identification, evaluation and protection of historic properties that the states primarily carry out. The success of that working relationship prompted Congress to expand the partnership to provide for participation by local governments (counties and incorporated towns). The National Historic Preservation Amendments Act of 1980 (P.L. 96-515) contains the legal basis for this federal-state-local preservation partnership. The role of the "Certified Local Governments" in the partnership involves, at minimum, (1) responsibility for review and approval of nomination of properties to the National Register of Historic Places, and (2) eligibility to apply to the State Historic Preservation Officer, for matching funds earmarked for "certified local governments." In order to become certified, a local government must meet certain requirements, chief of which are to have enacted a historic preservation ordinance and appointed a historic district (or preservation) commission. The Federal Act directs the State Historic Preservation Officer (SHPO) and the Secretary of the Interior to certify local governments to participate in the partnership. The purpose of this document is to outline how the partnership works in Kentucky.

DESCRIPTION AND STATEMENT OF PURPOSE

Kentucky's Certified Local Government Program is designed to promote the preservation of prehistoric and historic sites, structures, objects, buildings and historic districts by establishing a partnership between a local government and the Kentucky Heritage Council, whose director serves as the State Historic Preservation Officer (SHPO). The program seeks to encourage and expand local involvement in historic preservation program activities. Certified local programs will be complimentary to and in coordination with those of the SHPO, as outlined in Section 36 CFR 61.4(b). Such partnerships will help to assure that:

- Historic preservation issues are understood and addressed at the local level and are integrated into the local planning and decision making processes at the earliest possible opportunity;
- Local interests and concerns are integrated into the historic site identification, evaluation, nomination and protection processes of the Kentucky Heritage Council;
- Information concerning local historic preservation issues is provided to the Kentucky Heritage Council and to the public;
- Local preservation legislation and historic preservation commissions are established in cities where they do not yet exist and are updated, if necessary, where they already exist;
- Existing Kentucky Archaeological Inventory and Kentucky Historic Buildings Inventory information is made available to the local community to use in identifying and defining community and neighborhood development and conservation areas.

By participating in the identification, evaluation, and protection of historic resources within their communities, city and county governments that qualify as certified local governments:

- Assume a leadership role in the preservation of the community's prehistoric and historic resources;
- Have a formal role in the National Register nomination review process;
- Participate in the establishment of regional and state historic preservation objectives;
- Are eligible to apply for subgrants from a designated CLG fund established annually by the Kentucky Heritage Council; and
- Receive technical and advisory services from the Kentucky Heritage Council.

ELIGIBILITY

Any city or county of the state which meets the criteria set forth in this document is eligible to apply for certification (36 CFR Part 61.5 (c)). If any or all of the criteria are yet to be met, the local government may apply for a matching grant under another program to be used for the purpose of providing the staff services necessary to meet the criteria.

The National Historic Preservation Amendments Act of 1980 contains five broad standards which must be met by a local government seeking certification. The local government must:

- Enforce appropriate state or local legislation for the designation and protection of historic properties (36 CFR Part 61.5 (c)(1));
- Establish an adequate and qualified historic preservation review commission under state or local legislation (36 CFR Part 61.5 (c)(2));
- Maintain a system for the survey and inventory of historic properties (36 CFR Part 61.5 (c)(3));
- Provide for adequate public participation in the local historic preservation program, including the process of recommending properties to the National Register of Historic Places (36 CFR Part 61.5 (c)(4));
- Satisfactorily perform the responsibilities delegated to it under the Act (36 CFR Part 61.5 (c)(5)) and the Certification Agreement.

Each state is required to see that certified local governments satisfy these minimum requirements and may specify additional requirements. These objectives can be met by the enactment of a local historic preservation ordinance. **The minimum requirements for certification of local governments in Kentucky are defined and amplified below.**

MINIMUM REQUIREMENTS FOR LOCAL LEGISLATION

County governments in Kentucky are permitted to establish a historic preservation commission under KRS 67.083 (3)(y), and KRS 82.026 (passed by the General Assembly in 1984), allows cities to create local historic preservation commissions. Effective July 13, 1990, KRS 82.650 through KRS 82.670 allows for the creation of overlay districts by a city legislative body and promulgation of regulations for design standards and development within those districts. The minimum requirements for local legislation for designation and protection of historic properties by certified local governments in Kentucky are:

1. a statement of purpose;
2. definitions;
3. specific membership and duties of the local historic preservation review commission;
4. designation procedures for local landmarks and districts;
5. criteria for designation of local landmarks and districts;
6. provisions for public hearings in accordance with KRS 61.800-61.850 and public notification in the designation process for local landmarks and districts in accordance with KRS Chapter 424 (and, in the instance of an overlay district, KRS 82.670);
7. mandatory review of alterations, demolitions, or new construction to listed landmarks and within listed historic districts;
8. specific guidelines to be used by the local review body, such as the *Secretary of the Interior's Standards for the Treatment of Historic Properties* and the Preservation Briefs created by Technical Preservation Services;
9. specific time frames for review and for consideration of alternatives.
10. procedures for appeal from an adverse decision.

As a general rule, the local statute must contain criteria that will substantially achieve the purpose of preserving and rehabilitating buildings and sites of historic and/or archaeological significance. Local legislation requirements for CLGs can be met if the zoning ordinance provides a mechanism for the designation and protection of historic districts and individual historic properties and establishes an architectural review board with the authority to review alterations, demolitions, and new construction affecting designated sites and districts. Architectural Review Boards established under zoning ordinances may function as local historic preservation commissions for the purpose of implementing the CLG Program provided that a local ordinance establishing the additional responsibilities is passed.

When a historic overlay district is created pursuant to KRS 82.650-82.670, the overlay ordinance must include the following:

1. an accurate description of the boundaries of the district.

2. a description of the historical, architectural, cultural, aesthetic, natural, or other distinctive characteristics of the district that are to be preserved or conserved.
3. a delegation of responsibility for the administration of overlay regulations to an appropriate entity of city government pursuant to KRS 82.670.
4. the standards, guidelines, or criteria that shall govern development within the district to preserve, conserve, or protect the historical, architectural, cultural, aesthetic, or other distinctive characteristics of the district. These standards, guidelines, or criteria may be set out descriptively in the ordinance or by illustration, and may incorporate by reference established architectural standards or guidelines.

MINIMUM REQUIREMENTS OF LOCAL REVIEW COMMISSIONS

The National Historic Preservation Act Amendments of 1980 define a historic preservation review commission as a "board, council, commission, or other similar collegial body which is established by state or local legislation as provided in section 101 (c)(1)(b), and the members of which are appointed, unless otherwise provided by state or local legislation, by the chief elected official of the jurisdiction concerned from among:

professional in the disciplines of architecture, history, architectural history, planning, archaeology, or related disciplines, to the extent such professionals are available in the community concerned, and

such other persons as have demonstrated special interest, experience, or knowledge in history, architecture, or related disciplines and as will provide for an adequate and qualified commission."

Minimum requirements for local review commissions for certified local governments in Kentucky are:

1. at least five members, all of whom have demonstrated interest in historic preservation;
2. at least two of these shall be preservation-related professional members (this includes the professions of architecture, history, archaeology, architectural history, planning or related disciplines such as urban planning, American Studies, American Civilization, Cultural Geography or Cultural Anthropology). Professionals in a related discipline must be involved on a regular basis with historic preservation activities as part of their work in that discipline. These are in accordance with the [professions standards] in the *Secretary of the Interior's Standards and Guidelines for Archaeology and Historic Preservation*;
3. at least two-year terms of office which are staggered;
4. rules of procedure established and made public;

5. at least four meetings per year, held at regular intervals, in a public place, advertised in advance and open to the public;
6. review decisions made in a public forum, applicants notified of meetings and advised of decisions;
7. written minutes of actions of the commission available for public inspection;
8. written annual report of commission activities, cases, decisions, special projects and qualifications of the members, etc., kept on file and available for public inspection;
9. vacancies on the commission filled within sixty (60) days.

It is understood that specified professionals will be appointed to the commission to the extent that they are available in the community. Exceptions may be made where a local government can demonstrate that it has made a reasonable effort to fill these positions. When a commission reviews a preservation issue (including a National Register nomination) which is normally evaluated by a professional in a specific discipline, and that discipline is not represented on the commission, the commission must seek expertise in this area before rendering its decision. Further, the criteria established for local commissions must not exceed that of the Kentucky Historic Preservation Review Board (36 CFR Part 61.5 (c)).

MINIMUM DUTIES OF LOCAL REVIEW COMMISSIONS

Duties of local review commissions include at a minimum:

1. conducting or causing to be conducted a continuing survey of cultural resources in the community according to guidelines established by the Kentucky Heritage Council. Local review commissions may receive copies of the Kentucky Heritage Council inventory of historic buildings for their community;
2. making recommendations for designation of local historic districts and individual landmarks to the appropriate local governing body;
3. establishing and using written guidelines for the conservation of designated local landmarks and historic districts in decisions regarding requests for permits [Certificates of Appropriateness] for alterations, demolition or additions to listed landmarks and buildings within historic districts;
4. acting in an advisory role to other officials and departments of local government regarding the protection of local cultural resources;
5. acting as a liaison on behalf of the local government to individuals and organizations concerned with historic preservation; and
6. working toward the continuing education of citizens within the CLG's jurisdiction regarding historic preservation issues and concerns.

Each commission member is required to attend at least one informational or educational meeting per year, approved by the SHPO, pertaining to the work and functions of the commission or to historic preservation. This requirement may be waived by the Kentucky Heritage Council if cause is shown in the case of any individual commission member. Additionally, the Kentucky Heritage Council will make available orientation materials and training to all local commissions 36 CFR 61.5 (c)(2)(iii). This orientation and training will be designed to provide a working knowledge of the roles and operations of Federal, State and local preservation programs. On a yearly basis, the educational and orientation materials will be reviewed and updated.

The certified local government historic preservation commission, in addition to the above stated duties, reviews all proposed National Register nominations for properties within the boundaries of the CLG's jurisdiction (36 CFR 61.5 (c)(4). (See section on National Register reports.)

The State Historic Preservation Officer may, at his/her discretion and by mutual written agreement with the Certified Local Government, delegate further responsibilities to the CLG and/or the historic preservation commission. The CLG historic preservation review commission will adhere to the policies set by the National Park Service (Secretary of the Interior) and the Commonwealth of Kentucky regarding conflict of interest issues.

Local review commissions are responsible to the state only through the local government. However, the local government, in accepting certification, agrees to follow the certification agreement with the state as well as the spirit and letter of the Act and regulations.

STAFF REQUIREMENTS

In order to adequately undertake the requirements for certification and carry out the duties delegated to it, the Certified Local Government must employ or have regular access by contract or letter of agreement to a professional with expertise in history, architectural history, architecture, archaeology, historic preservation, or a closely related field. The Kentucky Heritage Council will consider proposals for alternative staffing for local governments whose resources (financial and/or available professionals) do not meet the requirement for one full-time equivalency. For example, staffing the ongoing operation of the commission and staffing the duties of the local preservation program may be considered separately. Such alternatives must ensure that adequate professional expertise exists to allow the CLG to undertake its responsibilities

CLGs may contract with a qualified individual or local non-profit historic preservation agency for staff services, or a group of CLGs in a region could contract with an Area Development District (ADD) for the delivery of the required professional staff services. Since ADDs do not qualify as political subdivisions of the state, they cannot be certified as CLGs.

Staff must be approved by the Kentucky Heritage Council to ensure that personnel have the necessary skills to carry out the specific responsibilities of that CLG. Staff requirements will vary according to the types of programs and projects that the CLG undertakes.

SURVEY STANDARDS

CLGs must establish a process for undertaking a survey of the cultural resources within their jurisdiction. Where surveys have already been undertaken or are underway, a process for the continuation, maintenance, and organization of this survey data must be defined. The Kentucky Heritage Council's inventory of historic buildings will be made available to any local review commission. All survey activities must follow the Kentucky Historic Sites Survey Process and be coordinated with the Kentucky Heritage Council Survey Coordinator.

The Kentucky Heritage Council will provide the framework and guidelines to assist a CLG in undertaking a community-wide comprehensive survey and historic preservation plan. The guidelines will include a methodology for organizing existing survey data, establishing priorities for additional surveys, establishing local historic preservation goals, objectives, and planning priorities, and developing protection and management strategies that are compatible with local needs. The plan should be designed in accordance with the *Secretary of the Interior's Standards and Guidelines for Preservation Planning*. A model preservation planning document will be provided.

A CLG's preservation plan must be completed within two years of the date that certification is first given and must be updated periodically, generally every five years. The CLG must also provide for a mechanism by which this preservation plan is made available to all relevant agencies and departments within the jurisdiction of the CLG so that historic preservation issues, concerns, and priorities are understood and taken into consideration whenever cultural resources may be affected.

The protection and management section of the historic preservation plan will provide a means by which ideal preservation priorities take into consideration constraints posed by overall community needs and other planning efforts. Periodic updates of the plan should address changing conditions, needs and priorities within the community, as well as include new survey data (e.g. additional survey of previously undocumented properties or alterations and demolitions of formerly-recorded properties).

All new survey information will be recorded on inventory forms provided by the Kentucky Heritage Council in accordance with established survey standards of the Kentucky Heritage Council. Originals of all survey reports and inventory forms must be provided to the Kentucky Heritage Council. Members of the local review commission and the chief elected official to the CLG should be encouraged to participate in the review of local survey reports and have input into the development of the local historic preservation plan. Input from the general public, other local government agencies or departments and relevant professionals within the community is also encouraged.

PUBLIC PARTICIPATION

General

All meetings of the historic preservation commission must be carried out according to Kentucky's open meetings law (KRS 61.805); they must be publicly announced, be open to the public, and have a previously available agenda.

Public notice must be provided prior to any special meetings. Minutes of all decisions and actions of the commission, including the reasons for making these decisions must be kept on file and available for public inspection.

National Register Nominations

The Kentucky Heritage Council and the CLG will work together to provide ample opportunity for public participation in the nomination of properties to the National Register. All reports submitted by the CLG to the Kentucky Heritage Council regarding the eligibility of properties shall include assurances of public input. If a public meeting was held, a number of meeting attendees should be included in the report. The CLG shall note any comments received from the preservation commission or the members of the general public.

CLG PARTICIPATION IN THE NATIONAL REGISTER PROCESS

In accordance with the National Historic Preservation Amendments Act of 1980, the CLG shall submit a report to the State Historic Preservation Officer regarding the eligibility of each property or district proposed for nomination to the National Register within their jurisdiction. This report shall include the recommendation of the local preservation commission and the chief elected official and the formal National Register nomination form. The recommendation may be as simple as an affirmation that the property is eligible or as detailed as a researched report of length stating why the property should or should not be nominated. The report should concentrate on the property's eligibility under the National Register criteria and aspects of integrity. Guidelines on how to apply these criteria in the evaluation of an individual property and how to complete National Register forms will be provided by the Kentucky Heritage Council. Reference could also be made to the CLG's historic preservation plan or other relevant planning documents. A copy of the report prepared by the CLG for the Kentucky Heritage Council shall be made available for public inspection within the local jurisdiction.

Failure to submit reports on the eligibility findings of National Register nominations will be considered during the annual performance evaluation.

The CLG will be involved in the National Register process in the following manner:

1. A Certified Local Government has sixty (60) days from date of receipt to review a National Register nomination and send the review report to the Kentucky Heritage Council, the property owner, and the nominator (if someone other than property owner). If the local review commission and the chief elected official do not agree, both opinions shall be forwarded in the report.
2. If both the commission and the chief elected official recommend that a property not be nominated, the Kentucky Heritage Council will so inform the property owner(s), the state review board, and the State Historic Preservation Officer. The property will not be nominated unless an appeal is filed with the SHPO under the regulations established for the appeals process which is outlined in the National Historic Preservation Amendments Act of 1980.
3. If either or both the commission and the chief elected official agree that the property should be nominated, the nomination will be scheduled for preliminary review by the Kentucky Historic Preservation Review Board. The opinion or opinions of the local commission members and chief elected official will be presented to the Review Board for consideration.

After considering all opinions, the Kentucky Historic Preservation Review Board shall make its recommendation to the State Historic Preservation Officer. The local preservation commission, chief elected official, or the property owner may appeal the final SHPO decision under the aforementioned appeals procedure.

In order to expedite the nomination process, a CLG may elect to send a supporting letter with the completed National Register nomination when it is first submitted to the Kentucky Heritage Council. The letter should be signed by both the chief elected official and the authorized representative of the commission. The letter may be accompanied by the formal report, but should, at the least, clearly state that in their opinion the property is eligible for the National Register, and that the letter is their report on the property. Public participation requirements still apply.

Upon written agreement between the CLG and the Kentucky Heritage Council, the CLG may elect to assume responsibility for notification of property owners and the public throughout the nomination process. In this case, it would be the responsibility of the CLG to meet the public notice requirements specified by the National Register nomination procedures of the Code of Federal Regulations (36 CFR 60.6). In addition to the requirement for public input into the above-reporting requirement and notification to property owners regarding the CLG's opinion regarding the eligibility of the property, the CLG would be responsible for notifying property owners, other local government agencies, and county and/or regional planning agencies, as appropriate, throughout the nomination process. Unless otherwise stated in the agreement, the Kentucky Heritage Council will provide notification of nominations to the certified local program organizations and appropriate federal and state officials.

Participation in the notification process throughout the nomination process will provide the CLG with greater opportunity for public input and for resolving local differences of opinion prior to submission of the nomination to the state review board.

If a CLG assumes the notification responsibilities, the Kentucky Heritage Council will provide guidelines regarding persons to be contacted and the content and timing of the notification letters.

PERFORMANCE ASSESMENT

In order to determine that all Kentucky Certified Local Governments are satisfactorily performing their responsibilities, each CLG shall submit an annual report of preservation commission activities (36 CFR Part 61.5 (c)(5)). Such reports shall include, but are not limited to, an updated copy of the local historic preservation ordinance, commission meeting minutes and meeting attendance records, the number of Certificates of Appropriateness (COA) applications reviewed, new district or historic landmark designations created or changed, resumes of commission members, new appointments to the commission, training sessions attended, and progress made on goals and action items specified within the historic preservation plan. A format for these reports shall be provided by the Kentucky Heritage Council.

The annual report shall be received no later than January 30 of each year, covering the period between October 1 to September 30, the Federal fiscal year. The Kentucky Heritage Council shall review CLG annual reports within thirty (30) days of their receipt. Continued certification shall be based on the fulfillment of federal and state responsibilities.

PROCESS FOR CERTIFICATION OF LOCAL GOVERNMENTS

The chief elected official of the appropriate local governing body shall request certification from the Kentucky Heritage Council. The request shall include (1) a copy of the proposed Certification Agreement between the SHPO and the local government that lists individually or by specific reference to the State procedures, all requirements and responsibilities common to all CLGs within the state, and all additional responsibilities and requirements delegated to the CLG by the SHPO to be signed by the SHPO and the chief elected local official or their authorized designee, (2) a copy of the local historic preservation ordinance, (3) resumes for each of the members of the historic preservation commission with the resumes of the two professional members marked as such, (4) how staff requirements will be met, and (5) if historic districts or individual landmarks have been previously designated, then a list and accompanying maps of those areas.

Upon receipt of an application for CLG status, the Kentucky Heritage Council will review said application. The Kentucky Heritage Council will respond to the chief elected official within sixty (60) days of receipt of an adequately documented request for certification. If approved for certification, the Kentucky Heritage Council will prepare a written certification agreement that lists the specific responsibilities of the CLG. (Those responsibilities listed include: i. The four minimum responsibilities required by the regulation 36 CFR Part 60.6; ii. Any additional responsibilities delegated to all CLGs in the state; and iii. Any other delegated responsibilities.) The approved request and written agreement will then be forwarded to the Secretary of the Interior. If the Secretary does not take exception to the request within fifteen (15) working days, the local government shall be regarded as certified by the Secretary.

Substantive changes in Certification Agreements between the SHPO and the local governing body must be made as a written amendment to the National Park Service for concurrence.

MONITORING AND DECERTIFICATION

The Kentucky Heritage Council will conduct periodic review and monitoring of CLGs to assure that each government is fulfilling the required standards (36 CFR Part 61.5(c)(5)). These reviews will be conducted at a minimum of every two years. The Kentucky Heritage Council shall also review the annual reports, records of the administration of funds allocated from the Kentucky Heritage Council to the CLG, and other documents, as necessary.

If the Kentucky Heritage Council's evaluation indicates that the performance of a CLG is inadequate, the Kentucky Heritage Council shall document that assessment and delineate for the local government ways to improve their performance. The CLG shall have a period of not less than 30 or more than 180 days, depending on the corrective measures required, to implement improvements. If the Kentucky Heritage Council determines that sufficient improvement has not occurred, the Kentucky Heritage Council will recommend decertification of the local government to the Secretary of the Interior citing specific reasons for the recommendation. Kentucky Heritage Council recommendations for decertification will ordinarily be accepted by the Secretary if appropriately documented. If the Secretary does not object within thirty (30) working days of receipt, the decertification shall be considered approved by the Secretary. When the local government is decertified, the Kentucky Heritage Council will terminate any financial assistance and will conduct a closeout review of any grants received from the Kentucky Heritage Council by the CLG.

TRANSFER OF 10% OF HISTORIC PRESERVATION FUND APPORTIONMENT TO CLGs

General Information

Beginning in federal fiscal year 1985, a minimum of ten percent of Kentucky's annual apportionment from the Historic Preservation Fund of the Department of the Interior was awarded to Certified Local Governments as provided by Congress (36 CFR Part 61.7). Any year in which Congress appropriates more than \$65,000,000 for the state preservation programs, one half of Kentucky's share of the amount above \$65,000,000 shall be transferred to CLGs. All grants will be awarded on a 60-40 matching basis for use in carrying out specific projects or activities which meet the state's criteria for use of survey and planning funds. CLGs must contribute at least 40% of the allowable matching share of an eligible project. Applicants must show that the funding sought will be sufficient to achieve the objectives outlined in the application.

Allocation Procedures for Review and Selection

The Kentucky Heritage Council will use the following guidelines in determining the allocation of CLG grant funds:

1. All funds will be awarded on a competitive basis.
2. All local governments that have been certified as CLGs are eligible to apply for funds but will not automatically receive funds.
3. While a minimum amount will not be established, the amount awarded to any one grantee must be sufficient to produce a specific impact. The fund allocation must be of enough significance to accomplish the anticipated goal. This requirement may not be waived even if there are many eligible applicants for the CLG funds.
4. The funds will be distributed among the maximum number of eligible participants.
5. Every reasonable effort will be made for an equitable distribution of funds between rural and urban areas. The Kentucky Heritage Council will ensure that no CLG is awarded a disproportionate share of the allocation.

Funding will be based, in accordance with the preceding guidelines, on project value, degree of local impact to preservation planning, and the amount of funding requested. The Kentucky Heritage Council will make available to the public, upon request, the rationale for the applicants selected and the amounts awarded. Those applicants selected will be subgrantees of the Kentucky Heritage Council.

Grants made from the Historic Preservation Fund cannot be used as matching share for other federal grants. CLGs receiving funds must (1) maintain an adequate financial management system as specified in OMB Circular A-102, Attachment G, (2) adhere to all requirements of the National Register Programs Manual, and (3) adhere to any requirements mandated by Congress regarding use of such funds. The Kentucky Heritage Council's financial management system is auditable in accordance with the General Accounting Office's *Standards for Audit of Governmental Organization, Programs, Activities and Functions* and so shall be the CLG's financial management system. Unless the CLG has a current indirect cost rate

approved by the cognizant Federal agency, only direct costs may be charged to the Historic Preservation Fund grant. Grants awarded to CLGs through the CLG Grant application process cannot be used for the acquisition or restoration of historic properties (36 CFR 61.7 (e)).

Application forms, annual Kentucky Heritage Council priorities for funding, and criteria for awarding CLG grants will be made available in November of each year. Each CLG must complete a project application and budget form by the annual deadline of March 1. If a local government that is seeking certification as a CLG has not met all the criteria for certification, it may apply for a matching grant to be used for the purpose of providing those requirements (e.g. drafting local preservation legislation or survey of historic properties to determine boundary delineation for locally-designated districts). Funding for projects designed to qualify a city or county as a CLG will be taken from the 90 percent balance of the state's annual grant and not from the 10 percent Set Aside.

Eligible Activities

In general, eligible activities will include any project which furthers the goals of identification, evaluation, nomination, and protection of the community's cultural resources. This would include historic property survey, nomination of properties to the National Register of Historic Places, public preservation educational programs, research, the publication of local landmarks legislation, cultural resource management plans for specific historic properties, and the development or update of a comprehensive historic preservation plan. The eligibility of projects will be determined by current directives from Congress and the Secretary of the Interior to the Kentucky Heritage Council (36 CFR Part 61.7 (d)(3)) or those outlined in the *Kentucky State Historic Preservation Plan*.

Grant Administration

See the *Kentucky Heritage Council Grant Manual* for a discussion of matching requirements, local matching requirements, and project administration guidelines. Since grant funds are transferred to the grantee as a reimbursement for 60 percent of documented expenditures, grantee must expect to spend local funds at the beginning of the project until reimbursement can be made by the State Historic Preservation Officer.

Reallocation of Funds

When any of the funds set aside for grants to CLGs becomes available for reallocation as a result of decertification or contract termination, the following policies will guide the Kentucky Heritage Council in its reallocation decisions (36 CFR Part 61.7 (o)):

1. CLGs that did not receive the full amount requested for specific projects and have the ability to provide the local match will receive top priority.
2. Use of funds by the Kentucky Heritage Council that will benefit all Kentucky CLGs and preservation commissions (e.g. training sessions, educational material).
3. Applicants for CLG funds that were not funded during the current grant year due to the rating of their applications against the project selection criteria.

4. Emergency projects for which applications have been received from CLGs after the annual application deadline.

PROJECT CANCELLATION

Approved grants to CLGs may be cancelled for one or more of the following reasons:

1. Cancellation as requested by the grantee.
2. Grantee fails to meet required reporting deadlines.
3. Grantee fails to initiate project within four (4) months of the execution of the contract.
4. Project work does not meet the conditions or standards stated in the contract.