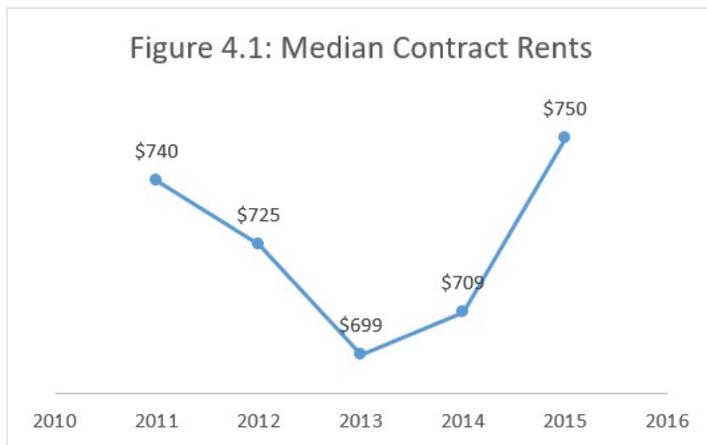


Housing Market Analysis

MA-05 Overview

Housing Market Analysis Overview:

The purpose of this Market Analysis is to provide an at-a-glance view of housing, non-housing, community development, and economic development in the state of Kentucky. This section presents population demographics, housing characteristics, and economic factors for the state of Kentucky.



Source: Zillow.com

Median Contract Rents

MA-10 Number of Housing Units – 91.310(a)

Introduction

In Kentucky, there are approximately, 1,944,495 housing units across the state. Of these units, 88 percent are occupied by either renters or owners. Thirty-three percent of occupied housing units are occupied by renters (559,747 households). Christian County reportedly has the highest concentration of renters (52%) and Oldham County has the lowest concentrate with approximately 14.2 percent renters.

Sixty-seven percent of occupied housing units are occupied by homeowners (1,148,752 households). The median vacancy rate among owner-occupied housing units in Kentucky is two percent ranging between 7.6 percent (Gallatin County) and 0.2 percent (Russell County). The median home value for homeowners in Kentucky is \$133,766 (inflation adjusted). The median household size of owner-occupied units in the Commonwealth is 2.5 people.

Between 2011-2015 there was a 1.2 percent increase in total units in the Commonwealth. The greatest increases were in Scott County (4.67%), Warren County (2.69%), and Jessamine County (2.07%) in the total number of housing units during this time. The median vacancy rate among renter-occupied units in Kentucky is reported at 6.8 percent. Highest rental vacancies are reportedly in Muhlenberg and Elliot Counties) at 16.7 percent and lowest in Wolfe County at 1.4 percent. Median gross rent statewide was reported at \$523 per month however rent across the state ranges between upper \$300s (Owsley County) to low \$900s per month (Boone County).

Only 1.9 percent of Kentucky's total housing stock was built after 2010, with 47 percent of housing being constructed between 1980 and 2009 and 52 percent being constructed before 1979. Many Kentucky residents utilize Electricity (50.9%) and Utility gas (37.9%) for house heating fuel.

Many residential properties in the Commonwealth are single-unit detached structures. Manufactured homes are included in the category of mobile homes, boat, RV, van, etc. in the data provided.

In January 2019, new manufactured home shipments decreased 13.3% to 7,493 homes as compared to the 8,646 homes shipped in January 2018 (Source: Kentucky MHI Economic Report). High concentrations of manufactured housing exist in many of the Appalachian counties in eastern Kentucky. A continued concern is the number of older manufactured homes that are in poor condition and are not energy efficient. Manufactured housing and mobile homes constitute more than 20.54 percent of all housing units in some of these counties.

All residential properties by number of units

Property Type	Number	%
1-unit detached structure	1,304,748	67%
1-unit, attached structure	47,275	2%
2-4 units	138,894	7%

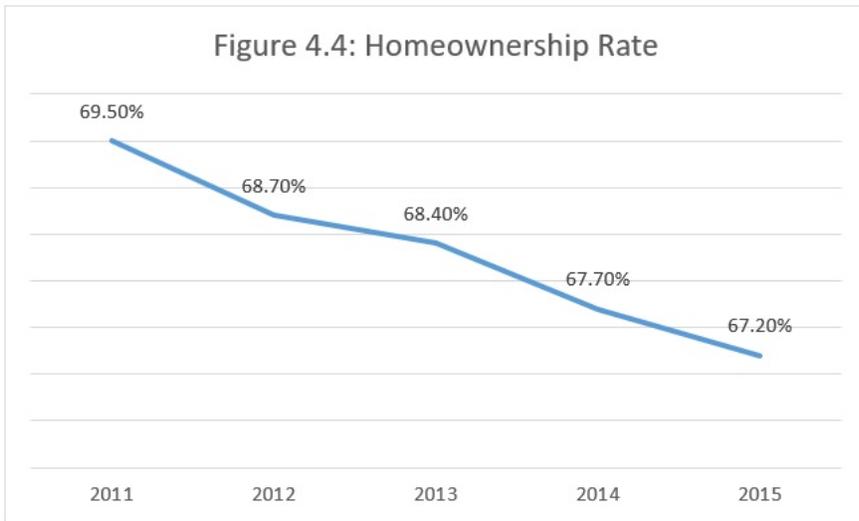
Property Type	Number	%
5-19 units	156,090	8%
20 or more units	59,972	3%
Mobile Home, boat, RV, van, etc	237,516	12%
Total	1,944,495	100%

Table 1– Residential Properties by Unit Number

Data Source: 2011-2015 ACS

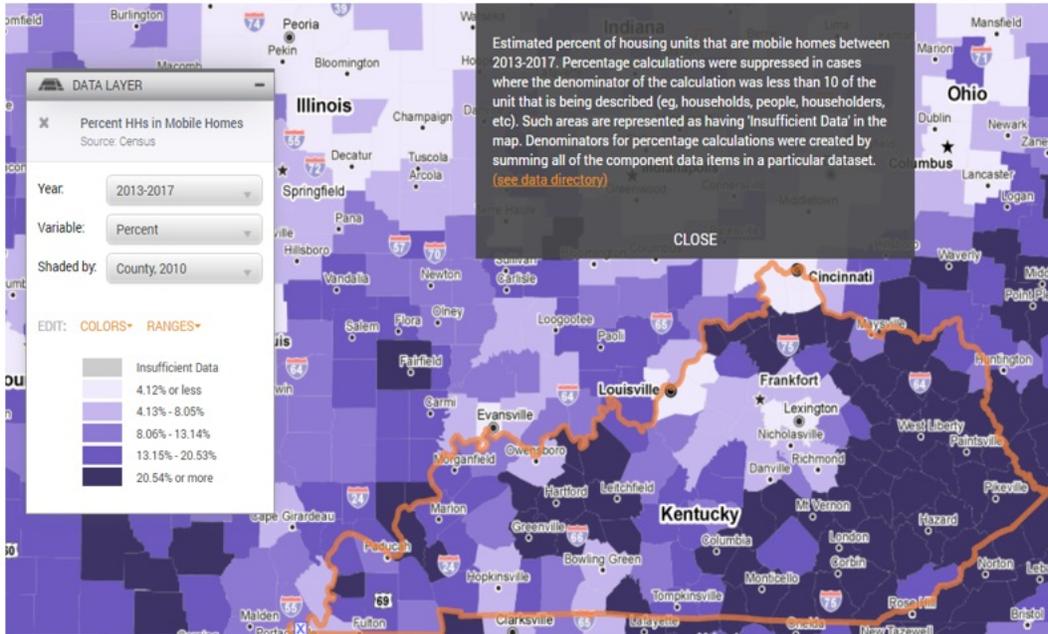
	2009	2015	% Change
Median Home Value	\$113,100	\$123,200	9%
Median Contract Rent	\$452	\$523	16%

Table 2 - Median Home Value and Median Contract Rent



Source: 2011-2015 ACS

Homeownership Rate



Source: Policymap.com

Unit Type - Mobile Home

Unit Size by Tenure

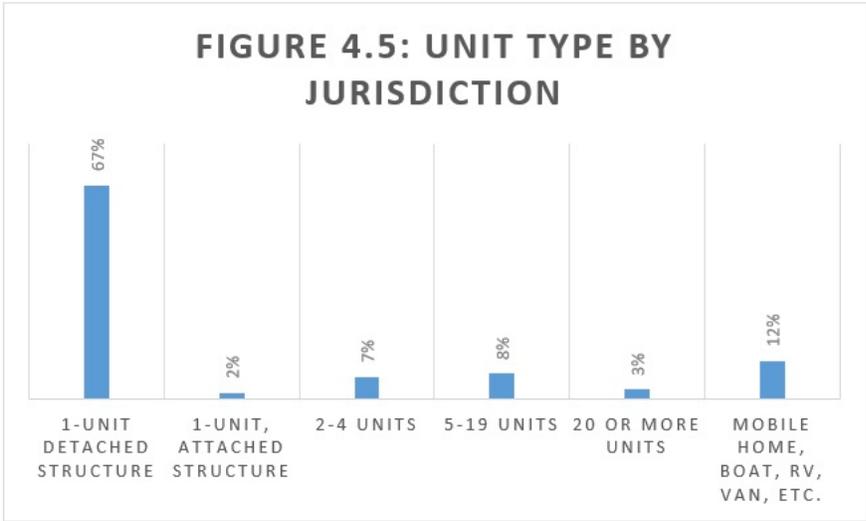
	Owners		Renters	
	Number	%	Number	%
No bedroom	2,675	0%	16,872	3%
1 bedroom	19,810	2%	115,119	21%
2 bedrooms	208,670	18%	228,698	41%
3 or more bedrooms	917,597	80%	199,058	36%
Total	1,148,752	100%	559,747	101%

Table 3– Unit Size by Tenure

Data Source: 2011-2015 ACS

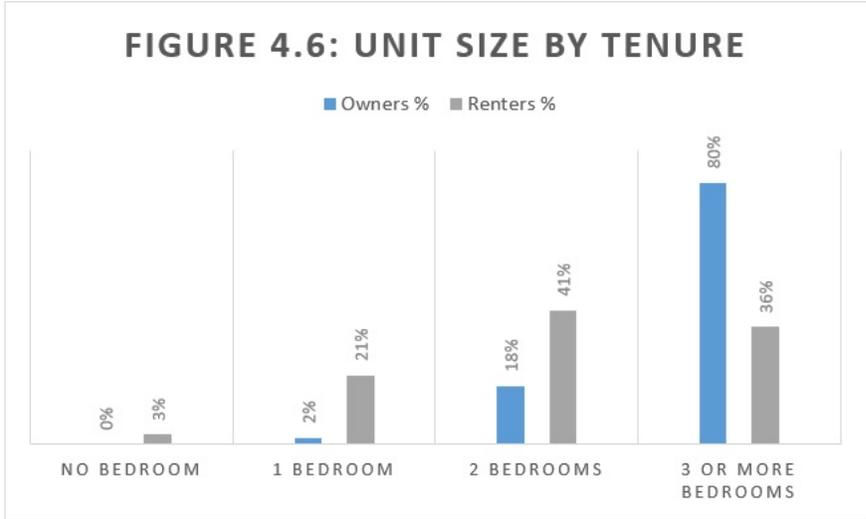
Unit Size by Tenure

Rental units statewide remain to have fewer bedrooms than owner-occupied housing. Eighty percent of owner housing features at least 3 bedrooms.



Source: 2011-2015 ACS

Unit Type by Jurisdiction



Source: 2011-2015 ACS

Unit Size by Tenure

Describe the number and targeting (income level/type of family served) of units assisted with federal, state, and local programs.

KHC and DLG serve the needs of Kentucky as a whole (except for local entitlement jurisdictions), specific income levels and types of families served are not targeted in general. Agencies and local governments who apply for funding from KHC and DLG design programs based on local need. Some programs provide additional scoring points for service certain populations or income levels.

There are more than 105,677 subsidized rental units in Kentucky that receive assistance directly from the federal government and have received assistance from KHC, Rural Development and/or other

funding sources. Of this number, approximately 21,518 are elderly units and 4,917 are accessible units located in the state's jurisdiction (with the remaining located in Louisville and Lexington participating jurisdictions).

The number of households assisted through the Housing Choice Voucher program historically, KHC has administered 104,231 across 83 counties.

Statewide, the subsidies include (approximate numbers, with some units receiving more than one type of subsidy):

- 4,570 tenant-based rental vouchers
- 22,614 project-based rental units (HUD and KHC)
- 27,184 public housing units
- 1,476 HOME units
- 961 Housing Tax Credit units
- 104,361 TARP and ARRA-funded units
- 215 state Affordable Housing Trust Fund units
- 20,010 units with other federal and state subsidies

Provide an assessment of units expected to be lost from the affordable housing inventory for any reason, such as expiration of Section 8 contracts.

According to the National Housing Preservation Database, over 3800 publicly supported rental homes have affordability restrictions expiring in the next five years, and over 5,000 public housing units are in immediate need of investment. Additionally, affordable rental units in Kentucky are constantly at risk of being lost due to the expiration of long-term subsidies and use restrictions. Kentucky Housing Corporation is tracking on over 3,000 properties with land use restrictive agreements.

Aging properties are in need of repair and renovation and increases in operating costs are outpacing rents. Of the 49,380 units identified as at-risk, approximately 8,000 are at risk due to expiration of project-based Section 8 contracts. Low-income housing tax credit, HOME, and other similarly financed properties comprise 13,530 at-risk units. USDA Rural Development's portfolio of at-risk units in Kentucky numbers 11,440 housing units.

At-risk properties feature one or more of the following:

- Chronic high vacancy
- Poor physical condition
- Risk of losing rent subsidy
- Expiring subsidy
- Exiting owners/partners
- Rents cannot support operations and debt service

Although approximately 14,000 of the total at-risk units are located in the two largest entitlement jurisdictions in Kentucky, many of these units include tax credits that are administered by the state.

The typical preservation project in Kentucky:

- Is located in a rural county
- Has 25-60 rental units
- Could be combined with other properties into a larger-scale portfolio deal
- Needs moderate repairs and renovation costing \$25,000 to \$45,000 per unit
- Has existing debt to be refinanced or repaid
- Needs \$250,000 to \$500,000 in soft debt or subsidy - or more if combined with other at-risk properties into one preservation transaction

Does the availability of housing units meet the needs of the population?

Of those renter households that are housing cost burdened (paying greater than 30 percent of their income for housing costs), 52 percent are in the extremely low-income category. Data indicate that there is a need for almost 200,000 rental units affordable to low- and moderate-income households. With affordable rental housing units already in short supply, it is important to preserve existing housing.

Vouchers to assist households with rental costs are in very short supply. KHC, as the public housing agency for 87 of Kentucky's 120 counties, administers more than 4,500 Housing Choice Vouchers. The waiting list contains nearly 4,000 applications, with an expected wait time of one to three years depending on the area of the state in which the applicant wishes to reside. Other PHAs around the state are in similar circumstances.

There remains a shortage of permanent supportive housing to assist persons with serious mental illness and elderly or disabled persons in nursing facilities who could live independently if provided the opportunity to reside in their home communities with supportive services.

Describe the need for specific types of housing:

Rental housing affordable to households at or below 30 percent of area median income are in very short supply. For every three households in this income category in need of housing, there is only one unit available. For those whose incomes are between 30 and 50 percent of area median income, there are only three units available for every four families in need. In eastern Kentucky, persons prefer to be homeowners rather than renters. The challenges in this region of the state include providing homes for persons with the lowest of incomes (or no income); rehabilitating aging housing (while the vast majority of substandard housing features complete kitchen and bathroom facilities, it is not energy efficient, and may have other structural issues that make the home unsafe or unhealthy for its residents. High concentrations of older manufactured housing are also present in this area of the state.

Persons with serious mental illness who are capable of living independently are currently concentrated in group homes and in-patient facilities. KHC has worked with the state's Cabinet for Health and Family Services to transition this population (the Olmstead population) into permanent housing with the availability of supportive services. The Olmstead Housing Initiative (OHI) is a partnership between the Department for Behavioral Health, Developmental and Intellectual Disabilities (DBHDID) and the Kentucky Housing Corporation (KHC). The goal of this initiative is to address a pressing need for housing for people who are currently in, or at risk of entering, institutions such as psychiatric hospitals or personal care homes, or who have a history of frequent institutionalizations. By moving individuals from institutional settings to living independently in communities of their choice, Kentucky can better serve this population and implement the mandates of the Olmstead decision. DBH provides funding to KHC to provide tenant-based rental assistance (TBRA), one-time security or utility deposit assistance, furnishings and other housing costs and essential household goods necessary for the housing set-up. Supportive services are provided through Community Mental Health Centers. KHC's role is also to provide technical assistance in developing new housing options for the individuals in this priority population.

Discussion

MA-15 Cost of Housing – 91.310(a)

Introduction

Median home values in Kentucky rose nine percent in the past six years while median rents rose 16 percent. Rents and home values have risen at a high rate compared to incomes thus directly increasing the affordability gap. There is a shortage of housing affordable to persons at the lowest income level.

Cost of Housing

	Base Year: 2009	Most Recent Year: 2015	% Change
Median Home Value	113,100	123,200	9%
Median Contract Rent	452	523	16%

Table 4 – Cost of Housing

Data Source: 2005-2009 ACS (Base Year), 2011-2015 ACS (Most Recent Year)

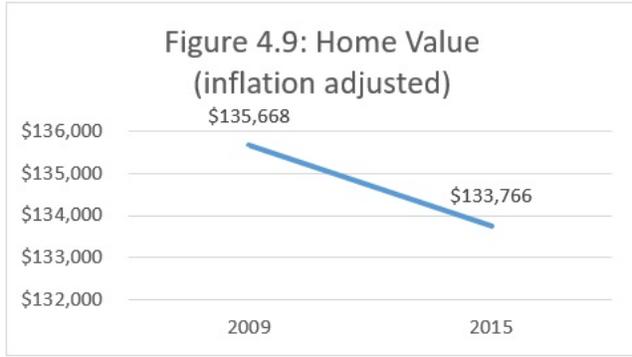
Rent Paid	Number	%
Less than \$500	283,556	50.7%
\$500-999	242,426	43.3%
\$1,000-1,499	24,711	4.4%
\$1,500-1,999	5,471	1.0%
\$2,000 or more	3,583	0.6%
Total	559,747	100.0%

Table 5 - Rent Paid

Data Source: 2011-2015 ACS

Cost of Housing: Home Value

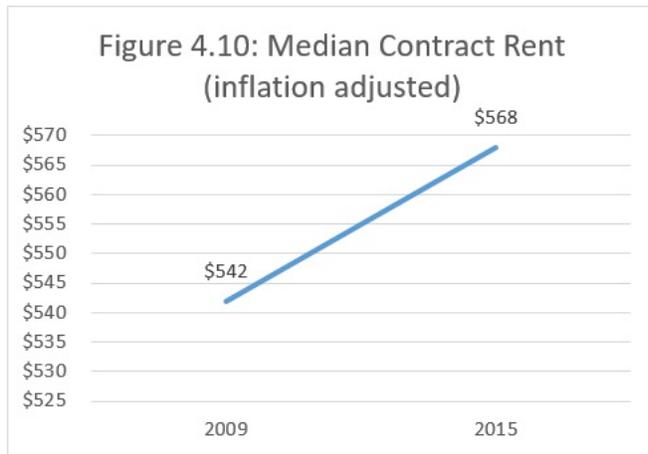
Kentucky's housing market has experienced several fluctuations between 2011-2015. In 2013 and 2014, foreclosures began to taper off. Several homes have returned to the market. The return has implications on the Commonwealth's overall housing values and will continue to do so.



Source: 2011-2015 ACS

Home Value
Cost of Housing: Contract Rents

Contract Rent is defined as the total rent that is, or is anticipated to be, specified in the rental contract as payable by the tenant to the owner for rental of a dwelling unit, including fees or charges for management and maintenance services and those utility charges that are included in the rental contract. Contract rents have increased five percent between 2009-2015.



Source: 2011-2015 ACS

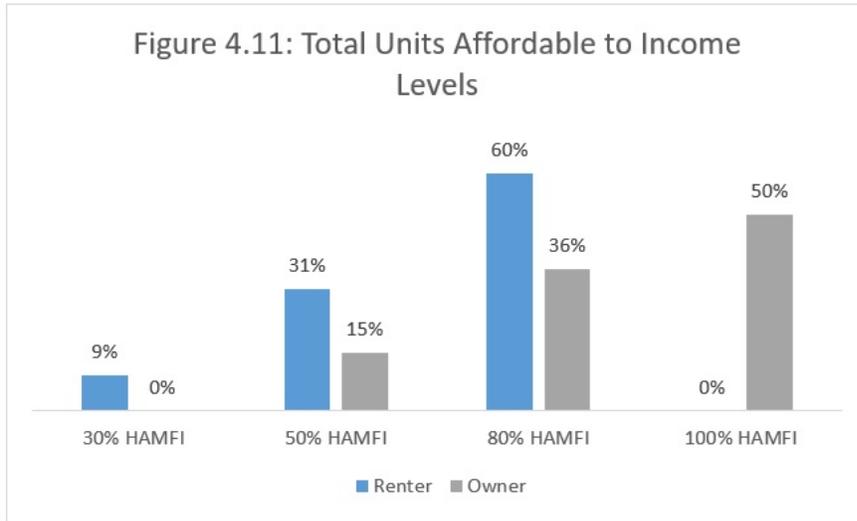
Contract Rent

Housing Affordability

% Units affordable to Households earning	Renter	Owner
30% HAMFI	59,995	No Data
50% HAMFI	203,955	138,715
80% HAMFI	395,785	335,160
100% HAMFI	No Data	465,785
Total	659,735	939,660

Table 6 – Housing Affordability

Data Source: 2011-2015 CHAS



Source: 2011-2015 CHAS (Figure 4.11 -4.14)

Total Units Affordable to Income Levels

	Renter	Owner
Total Units	33%	67%
Units affordable to households earning less than 100% AMI		
Percent Affordable to households earning less than 100% AMI		

Table 7 - Share of Affordable Units in Kentucky (Source: 2011-2015 ACS)

Monthly Rent

Monthly Rent (\$)	Efficiency (no bedroom)	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Fair Market Rent	0	0	0	0	0
High HOME Rent	0	0	0	0	0
Low HOME Rent	0	0	0	0	0

Table 8 – Monthly Rent

Data Source Comments:

Energy Costs

Energy costs also have a direct impact on the cost of housing. The combination of rising energy costs and aging, less energy-efficient housing have a direct impact on total housing costs. The result is that households in the lowest income continue to be cost burdened by housing related costs.

Monthly Rent

It is important to note there is no statewide FMR, each county establishes a FMR and HOME rent. However, pulling from the largest Metro Area the Fair Market Rent (FMR) for a two-bedroom apartment

is \$722. In order to afford this level of rent and utilities – without paying more than 30% of income on housing – a household must earn \$2,572 monthly or \$30,860 annually. Assuming a 40-hour work week, 52 weeks per year (National Low income Housing Coalition).

Is there sufficient housing for households at all income levels?

No state has an adequate supply of affordable rental housing for the lowest income renters. Across Kentucky, there is a shortage of rental homes affordable and available to extremely low-income households (ELI), whose incomes are at or below the poverty guideline or 30% of their area median income (AMI). In Kentucky, 31 percent (179,539 renter households) that are ELI. There are approximately, 52 percent (94,314) affordable and available rental homes available for ELI households. Sixty percent of ELI renter households are households with severe cost burden.

According to the National Low Income Housing Coalition, there is a deficiency of approximately -58,250 at or below 50% AMI and a deficiency of 85,225 affordable and available rental units at or below extremely low income. At ELI, there are 53 affordable and available homes per 100 renter households. At 50% of AMI, there are 77 affordable and available homes per 100 renter households. At 80% of AMI, there are 104 affordable and available homes per 100 renter households, and at 100% of AMI, there are 105 affordable and available homes per 100 renter households.

How is affordability of housing likely to change considering changes to home values and/or rents?

There is insufficient housing for extremely low-income households in Kentucky. The following needs exists:

- Shortage of affordable housing units available for extremely low-income renters
- Providing affordable rental units
- Improving energy efficiency in substandard and older households.
- Housing program funding to preserve the affordability of housing units for extremely low-income renters

How do HOME rents / Fair Market Rent compare to Area Median Rent? How might this impact your strategy to produce or preserve affordable housing?

HOME rents and Fair Market Rents are established on a county-by-county basis. There is no statewide HOME or Fair Market Rent. In rural markets with low household incomes, HOME rents often match the Area Median Rent. As such, they are competitive with market rate rental units. However, lowering rents far beyond the established limits makes it difficult for projects to realize enough net operating income (NOI). Project-based rent subsidies will continue to play an important role in ensuring a project is both

affordable to the families who reside there and financially sustainable to those who own and manage the property.

Discussion

MA-20 Condition of Housing – 91.310(a)

Introduction:

For the purposes of this Plan, Kentucky provides the following definitions.

Definitions

Standard Condition: safe and adequate housing, well maintained, structurally sound, without visible deterioration or observable defects.

Substandard Condition but Suitable for Rehabilitation: dwelling units that do not meet standard conditions but are both financially and structurally feasible for rehabilitations. This does not include units that require only cosmetic work, correction or minor livability problems or maintenance work.

Condition of Units

Condition of Units	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
With one selected Condition	224,371	20%	230,181	41%
With two selected Conditions	5,118	0%	12,529	2%
With three selected Conditions	630	0%	1,063	0%
With four selected Conditions	88	0%	71	0%
No selected Conditions	918,545	80%	315,903	56%
Total	1,148,752	100%	559,747	99%

Table 9- Condition of Units

Data Source: 2011-2015 ACS

Condition of Units

Condition of units is assessed using the same criteria as the Needs Assessment. This includes: 1) lacks complete plumbing facilities; 2) lacks complete kitchen facilities; 3) more than one person per room; and 4) cost burden (amount of income allocation to housing) is greater than 30%.

The following table indicates the number of housing units by tenure that experience housing conditions as defined above. Approximately 46% of renter units and 35% of owner units experience at least one housing condition, while only 1% of renter-occupied and 3% of owner-occupied housing units experience two housing conditions. Given the number of Kentucky households that experience a housing cost burden, it is most likely that the one condition identified in the condition of units is cost burden.

Year Unit Built

Year Unit Built	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
2000 or later	220,862	19%	80,736	14%
1980-1999	357,451	31%	166,576	30%
1950-1979	419,009	36%	221,392	40%
Before 1950	151,430	13%	91,043	16%
Total	1,148,752	99%	559,747	100%

Table 10 – Year Unit Built

Data Source: 2011-2015 CHAS

Risk of Lead-Based Paint Hazard

Risk of Lead-Based Paint Hazard	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
Total Number of Units Built Before 1980	570,439	50%	312,435	56%
Housing Units build before 1980 with children present	146,350	13%	93,725	17%

Table 11 – Risk of Lead-Based Paint

Data Source: 2011-2015 ACS (Total Units) 2011-2015 CHAS (Units with Children present)

Risk of Lead-Based Paint

A higher percentage of rental units (56%) than owner units (50%) are older constructed prior to 1980. These older units pose a higher risk for the presence of lead-based paint. These units are also an indicator for inefficient energy consumption or in less than substandard condition.

Vacant Units

	Suitable for Rehabilitation	Not Suitable for Rehabilitation	Total
Vacant Units	0	0	0
Abandoned Vacant Units	0	0	0
REO Properties	0	0	0
Abandoned REO Properties	0	0	0

Table 12 - Vacant Units

Data Source: 2005-2009 CHAS

Need for Owner and Rental Rehabilitation

According to Census data, in Kentucky, there are approximately 1,942,944 housing units across the state. Of these units, 88 percent, or 1,711,631 units, are occupied by either renters or owners. Only 2.44 percent of Kentucky's total housing stock was built after 2010, with 45 percent of housing being

constructed between 1980 and 2009 and 52 percent being constructed before 1979. Older housing, especially older manufactured housing, is not energy efficient and is more likely to be in poor overall condition. Rehabilitation or replacement of these units will greatly assist households at the lowest income levels to avoid or reduce housing cost burden associated with repairs and higher utilities due to poor conditions. Although rental preservation is a very large need, in rural areas, families prefer to be homeowners rather than renters.

Estimated Number of Housing Units Occupied by Low or Moderate Income Families with LBP Hazards

Data from the 2011-2015 CHAS estimates that 13 percent of owner-occupied and 17 percent of renter-occupied units built before 1980 are occupied by households with children. This equates to 240,075 or 14 percent of Kentucky households.

To estimate the number of housing units occupied by low- or moderate-income families with LBP hazards, the assumption can be made that housing units by year-built are distributed evenly across all income levels. As such, using the household counts in the Needs Assessment, the share of low-income households (0-50% AMI) in the Kentucky is 27% (466,535 low-income households divided by 1,716,168 total households). The share of moderate-income households (50-80% AMI) is 17% (295,870 moderate-income households divided by 1,716,168).

Given these shares and the assumption stated above, it can be estimated that the 882,874 total households at risk for lead-based paint (built before 1980), approximately 237,835 (27% multiplied by 882,874) are occupied by low-income households and approximately 132,131 (15% multiplied by 882,874) are occupied by moderate-income households.

Discussion:

MA-25 Public and Assisted Housing – (Optional)

Introduction:

Totals Number of Units

	Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project-based	Tenant-based	Special Purpose Voucher		
						Veterans Affairs Supportive Housing	Family Unification Program	Disabled *	
# of units vouchers available	2	23		5,532	597	4,935	0	0	4,073
# of accessible units									
*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition									

Table 13 – Total Number of Units by Program Type

Data PIC (PIH Information Center)

Source:

Describe the supply of public housing developments:

Describe the number and physical condition of public housing units in the jurisdiction, including those that are participating in an approved Public Housing Agency Plan:

Describe the Restoration and Revitalization Needs of public housing units in the jurisdiction:

Describe the public housing agency's strategy for improving the living environment of low- and moderate-income families residing in public housing:

Discussion:

MA-30 Homeless Facilities – 91.310(b)

Introduction

Facilities Targeted to Homeless Persons

	Emergency Shelter Beds		Transitional Housing Beds	Permanent Supportive Housing Beds	
	Year Round Beds (Current & New)	Voucher / Seasonal / Overflow Beds	Current & New	Current & New	Under Development
Households with Adult(s) and Child(ren)	641	150	160	538	8
Households with Only Adults	799	150	178	631	3
Chronically Homeless Households	0	0	0	1,169	11
Veterans	0	0	65	221	0
Unaccompanied Youth	36	0	14	0	0

Table 14 - Facilities Targeted to Homeless Persons

Data Source Comments: HUD 2018 CoC HIC Report for Kentucky Balance of State CoC

Describe mainstream services, such as health, mental health, and employment services to the extent those services are used to complement services targeted to homeless persons

KY BoS CoC partners rely heavily on partnership with mainstream service providers to assist participants obtain and maintain housing. Partners have established relationships with community mental health organizations that provide outpatient mental health services and other supports. CoC and ESG-funded projects connect participants with employment and education services provided through the WIOA funded programs. Several have arrangements with employers to come to their facilities to provide onsite training and recruitment. The KY BoS CoC established a close partnership with the state's largest Medicaid provider, WellCare. WellCare developed an employment assistance program where participants can locate and apply for jobs as well as get assistance with resumes and interviewing.

List and describe services and facilities that meet the needs of homeless persons, particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth. If the services and facilities are listed on screen SP-40 Institutional Delivery Structure or screen MA-35 Special Needs Facilities and Services, describe how these facilities and services specifically address the needs of these populations.

The KY BoS CoC currently has 28 CoC-funded Permanent Supportive Housing (PSH) projects, however, only 1 is available BoS-wide. Of the 28 projects, all but 6 are provided using scattered-site housing (i.e. units provided within the community by private landlords). In several areas of the BoS, CoC-funded PSH does not exist at all. The KY BoS CoC has developed a Coordinated Entry System (CES) that prioritizes households for limited housing resources based on their severity of need. The KY BoS CoC CES Policies and Procedures requires households experiencing chronic homelessness to be prioritized for PSH beds. Persons in PSH, especially chronically homeless, often require a higher level of services than other households with less severe needs. All PSH programs are paired with supportive services, including those provided by community mental health organizations. To increase the availability of PSH beds, the KY BoS CoC worked with Kentucky Housing Corporation, which serves as the PHA for 87 counties of the 118 county BoS, to create a "Moving On" program where people in CoC-funded PSH that no longer need the intensive service support can transition to a Housing Choice Voucher if they choose. This allows the PSH bed to be used for someone that is chronically homeless. Staff also assist participants to obtain disability income and other mainstream resources that can help people maintain housing.

Because most of the PSH (and all Rapid Rehousing) is provided by using tenant-based rental assistance of leasing, private landlord recruitment and retention is extremely important. In many areas of the BoS, landlords have strict requirements that prevent people with criminal records, poor credit, or poor rental history for renting from them. This coupled with insufficient rental housing stock lead people staying homeless longer. To help mitigate these issues, KY BoS CoC partners provide landlord outreach and mediation services, which includes helping clients identify housing, understand leases, and provides a contact for both the landlord and tenant to call when problems arise.

While all persons experiencing homelessness that are served by CoC and ESG-funded projects are connected to supportive services including employment assistance and health services, families with

children are also assisted by helping to obtain child care assistance and to ensure children are enrolled in school and connected with school McKinney-Vento resources.

The CoC has established a strong partnership with VA SSVF providers, which helps quickly connect veterans with needed services including rental assistance or referrals to the VA for medical assistance. KHC, as the PHA, has a set-aside of Housing Choice Vouchers specifically for homeless veterans.

An eight-county area of the KY BoS CoC is participating in HUD's Youth Homelessness Demonstration Program (YHDP), which includes implementing new crisis housing projects, system navigation services, and rapid rehousing services for unaccompanied and parenting youth. The KY BoS CoC partnered with KHC to apply for HUD Family Unification Program (FUP) vouchers, which provides HCVs for youth experiencing homeless or at-risk of homelessness who are exiting/have exited foster care or for families where lack of housing is the reason for an imminent removal of the children from the household or the reason why a family has not been reunited.

MA-35 Special Needs Facilities and Services – 91.310(c)

Introduction

HOPWA Assistance Baseline Table

Type of HOWA Assistance	Number of Units Designated or Available for People with HIV/AIDS and their families
TBRA	0
PH in facilities	0
STRMU	0
ST or TH facilities	0
PH placement	0

Table 15 – HOPWA Assistance Baseline

Data Source: HOPWA CAPER and HOPWA Beneficiary Verification Worksheet

To the extent information is available, describe the facilities and services that assist persons who are not homeless but who require supportive housing, and programs for ensuring that persons returning from mental and physical health institutions receive appropriate supportive housing

Persons with HIV/AIDS have expressed a preference for community-based housing rather than facility-based housing. In order to ensure this population is served based on their needs and preferences, KHC's HOPWA program concentrates on tenant-based rental assistance and short-term rental, mortgage and utility assistance rather than facility-based housing solutions. HOPWA clients are eligible for services provided by the HIV Care Coordinator Program within the Kentucky Cabinet for Health and Family Services in Kentucky's five Care Coordinator regions.

Recovery Kentucky provides support to individuals recovering from substance abuse. There are 14 Recovery Kentucky centers across the Commonwealth. Each center provides housing and recovery services for up to 2,000 Kentuckians simultaneously across the state.

The John H. Chafee Foster Care Independence Program (Chafee Room and Board) offers assistance to help current and former foster care youths achieve self-sufficiency. Federal funds are provided to states to assist youth in a wide variety of areas designed to support a successful transition to adulthood. Activities and programs include, but are not limited to; help with education, employment, financial management, housing, emotional support, and assured connections to caring adults for older youth in foster care. The program is intended to serve youth who are likely to remain in foster care until age 18; youth who, after attaining 16 years of age; have left foster care for kinship guardianship or adoption; and young adults ages 18-21 who have "aged out" of the foster care system. One component of the

broader program is the Chafee Room and Board initiative, which provides housing assistance to young adults meeting the Chafee eligibility criteria.

Describe programs for ensuring that persons returning from mental and physical health institutions receive appropriate supportive housing

The Olmstead Housing Initiative (OHI) is a partnership between KHC and the Kentucky Cabinet for Health and Family Services. It was created in response to the 1999 Supreme Court Decision *Olmstead v. L.C.*, 527 U.S. 581, that was an interpretation of Title II of the Americans with Disabilities Act (ADA).

OHI was created to meet the housing needs of one of the hardest to serve populations: people with Severe Mental Illness (SMI) who are in institutions, or who are at-risk of institutionalization. Efforts have been made to move individuals who can live independently from institutions into affordable housing in communities of their choosing. Institutions for this population could include nursing homes but are more typically psychiatric hospitals or personal care homes. OHI can pay for moving expenses, basic furnishings, security and utility deposits, and provide an on-going rental subsidy.

Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. 91.315(e)

Please see the Year 1 Action Plan (FY2020) associated with this Consolidated Plan.

For entitlement/consortia grantees: Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. (91.220(2))

Not applicable.

MA-40 Barriers to Affordable Housing – 91.310(d)

Describe any negative effects of public policies on affordable housing and residential investment.

Barriers to affordable housing may be presented to low-income households by market conditions; these barriers (scarcity of affordable rental housing, slow income growth, etc.) have been presented in the market analysis. In addition, the jurisdictions undertake efforts to remove or ameliorate the negative effects of public policies that serve as barriers. The Analysis of Impediments to Fair Housing Choice (AI) identifies impediments to fair housing that also fall under the category of barriers to affordable housing. The following information includes impediments identified by the state and the corresponding Action Items documented to address these impediments. The state will report on the progress in addressing these impediments and barriers in annual reporting documentation required by HUD.

Many of the barriers in Kentucky are concentrated at the local level rather than at the state level, as cities and counties establish regulations, plans and policies that affect their jurisdiction. The overall demand for affordable housing and the lack of funding to fulfill the demand continues to be the biggest barrier statewide. According to HUD's Regulatory Barrier database for Kentucky, following is a list of some barriers and policies that increase the cost of housing:

Barriers:

- Subdivision requirements (wider streets, curbs and gutters, and sidewalks) increase the cost of affordable housing
- Housing and building code enforcement are inefficient when property owners cannot be contacted and/or have insufficient funds to make necessary property changes
- Abandoned or vacant property/land is often neglected and can negatively impact surrounding areas and neighborhoods
- Lengthy permitting approval processes can decrease the supply of affordable housing
- Lack of infill policies in urban areas can decrease the supply of affordable housing
- Tax policies can increase the cost of housing
- Rigid zoning regulations can discourage affordable housing development
- Community opposition to affordable housing development is a barrier to affordable housing
- Urban growth planning, while preventing sprawl, can increase land values and price low income households out of the market
- Some building codes do not allow for adopting new technologies, techniques, and materials

Strategies to Ameliorate:

- Promote and market the "Simply Home" exhibit to municipalities and institutions across Kentucky as a vehicle for housing education and outreach
- Collaborate with the Kentucky Commission on Human Rights and Lexington Fair Housing Council, Inc. to expand education and outreach efforts and to identify gaps in need of additional efforts
- Allocate LIHTC funding to projects that prioritize higher opportunity areas and avoid concentrations of

affordable housing

-Down Payment Closing Cost Assistance Program and the Homebuyer Loan Program for income-eligible homebuyers. Evaluate a preference for low- and moderate-homeowners in neighborhoods at risk for displacement due to gentrification

-Homeowner Rehab Program and the Weatherization Assistance Program to preserve the existing affordable housing inventory and lower homeowner costs. Evaluate a preference for low- and moderate-homeowners in neighborhoods at risk for displacement due to gentrification

-Advocate for affordable housing resources among local, State, and Congressional delegations

-Tenant-based and Project-based Rental Assistance Programs to ensure affordable rental assistance for protected classes across the Commonwealth, including assistance to individuals with disabilities and/or recovering from substance abuse

-Seek Continuum of Care funding for rapid-rehousing and permanent supportive housing developments that provide affordable housing options and related services

-Evaluate tools and methods to connect people to housing, such as housing service locator tools

MA-45 Non-Housing Community Development Assets -91.315(f)

Introduction

Economic Development Market Analysis

Business Activity

Business by Sector	Number of Workers	Number of Jobs	Share of Workers %	Share of Jobs %	Jobs less workers %
Agriculture, Mining, Oil & Gas Extraction	20,188	19,734	2	3	1
Arts, Entertainment, Accommodations	112,362	91,011	12	12	0
Construction	52,476	40,558	6	5	-1
Education and Health Care Services	166,185	127,210	18	17	-1
Finance, Insurance, and Real Estate	52,133	33,384	6	5	-1
Information	15,260	9,678	2	1	-1
Manufacturing	176,673	155,725	19	21	2
Other Services	30,049	24,713	3	3	0
Professional, Scientific, Management Services	61,044	39,114	7	5	-2
Public Administration	0	0	0	0	0
Retail Trade	141,899	117,011	15	16	1
Transportation and Warehousing	50,128	43,384	5	6	1
Wholesale Trade	48,506	38,804	5	5	0
Total	926,903	740,326	--	--	--

Table 16 - Business Activity

Data Source: 2011-2015 ACS (Workers), 2015 Longitudinal Employer-Household Dynamics (Jobs)

Labor Force

Total Population in the Civilian Labor Force	1,371,523
Civilian Employed Population 16 years and over	1,255,646
Unemployment Rate	8.46
Unemployment Rate for Ages 16-24	23.17
Unemployment Rate for Ages 25-65	4.77

Table 17 - Labor Force

Data Source: 2011-2015 ACS

Labor Force

The tables below reflect labor force data, including the number employed and unemployment rate in the civilian labor force, and the number of people employed in various occupations by sector from the American Communities Survey.

The tables also illustrate that most workers—70 percent—commute less than 30 minutes to work daily.

Occupations by Sector	Number of People
Management, business and financial	230,316
Farming, fisheries and forestry occupations	49,935
Service	127,600
Sales and office	295,776
Construction, extraction, maintenance and repair	135,004
Production, transportation and material moving	100,459

Table 18 – Occupations by Sector

Data Source: 2011-2015 ACS

Travel Time

Travel Time	Number	Percentage
< 30 Minutes	813,206	68%
30-59 Minutes	310,412	26%
60 or More Minutes	78,379	7%
Total	1,201,997	100%

Table 19 - Travel Time

Data Source: 2011-2015 ACS

Education:

Educational Attainment by Employment Status (Population 16 and Older)

Educational Attainment	In Labor Force		Not in Labor Force
	Civilian Employed	Unemployed	
Less than high school graduate	78,104	13,910	131,682
High school graduate (includes equivalency)	352,330	31,903	201,271
Some college or Associate's degree	335,427	23,119	123,761
Bachelor's degree or higher	259,301	8,196	46,104

Table 20 - Educational Attainment by Employment Status

Data Source: 2011-2015 ACS

Educational Attainment by Age

	Age				
	18–24 yrs	25–34 yrs	35–44 yrs	45–65 yrs	65+ yrs
Less than 9th grade	4,878	11,089	13,619	51,183	84,435
9th to 12th grade, no diploma	37,117	31,529	32,684	83,232	56,497
High school graduate, GED, or alternative	103,879	119,361	133,743	333,380	167,735
Some college, no degree	104,581	94,103	88,257	164,986	68,551
Associate's degree	12,504	36,441	37,705	64,523	14,714
Bachelor's degree	14,853	54,447	53,509	84,639	29,688
Graduate or professional degree	1,099	22,393	34,388	65,834	30,741

Table 21 - Educational Attainment by Age

Data Source: 2011-2015 ACS

Educational Attainment – Median Earnings in the Past 12 Months

Educational Attainment	Median Earnings in the Past 12 Months
Less than high school graduate	15,795,096
High school graduate (includes equivalency)	24,142,442
Some college or Associate's degree	26,271,081
Bachelor's degree	30,224,735
Graduate or professional degree	36,609,595

Table 22 – Median Earnings in the Past 12 Months

Data Source: 2011-2015 ACS

Based on the Business Activity table above, what are the major employment sectors within the state?

Kentucky has identified core, targeted employment sectors to address the workforce needs of employers. These sectors include:

- Energy Creation/Transmission
- Health Care/Social Assistance
- Business Services/Research and Development
- Transportation, Distribution, and Logistics
- Automobile/Aircraft Manufacturing

Describe the workforce and infrastructure needs of business in the state.

Kentucky is taking steps to ensure that workers in the Commonwealth are equipped with training and skills needed to compete in the global economy. Think Kentucky, the Cabinet for Economic Development, is aligning resources to ensure companies and individuals receive the assistance they need to be successful. Training funds for job training programs such as the Cabinet for Economic Development's Bluegrass State Skills Corporation (BSSC) are underfunded based on demand. The Kentucky Tech, a program administered by the Kentucky Department of Education, operates fifty-three Area Technology Centers and Regional Academies. The Centers provide training for high school students interested in pursuing technical pathways. Training equipment and up to date technology is required to result in a high-quality education offering for interested students.

The state's Work Ready Community Program is the most rigorous workforce certification program in the nation, the program requires communities to meet criteria in six key areas that are critical to producing a productive workforce. Criteria includes high school graduation rates, National Career Readiness Certificate holders, community commitment, educational attainments, soft skills and internet availability.

KY FAME is a statewide apprentice program combining education and actual workplace experience. Students attend classes two days per week and work on the job three days per week, with the goal of obtaining an Advanced Manufacturing Technician certification. Those who complete the program may start work immediately or transition to a four-year college or university.

Describe any major changes that may have an economic impact, such as planned public or private sector investments or initiatives that have affected or may affect job and business growth opportunities during the planning period. Describe any needs for workforce development, business support or infrastructure these changes may create.

There are no other major changes planned.

How do the skills and education of the current workforce correspond to employment opportunities in the state?

Kentucky needs to continue increasing technical associate and bachelor's degree educational attainment to better meet the current and future job demands. To receive a Work Ready Certification, a county must demonstrate a plan to increase associate and bachelor's degree attainment to 32 percent of the work age population within three years and 39 percent of the population within five years.

Describe current workforce training initiatives supported by the state. Describe how these efforts will support the state's Consolidated Plan.

In partnerships with the Kentucky Education and Workforce Development Cabinet (EWDC) and the Kentucky Workforce Innovation Board (KWIB), signed an executive order establishing the KentuckyWorks Collaborative to guide the Commonwealth's workforce efforts through statewide implementation of KWIB's strategic plan. Comprised of 18 members representing state and federal agencies, local workforce boards, and employers, each member represents an agency that provides job training, counseling, career development, and technical assistance services to Kentucky employers or job seekers. The KentuckyWorks Collaborative will guide the state's workforce strategy by:

- Setting a common strategic direction with an urgent call to action to guide workforce development activities statewide;
- Prioritizing actions attainable and measurable actions through the application of performance metrics;
- Increasing and improving communication and collaboration among employers, education and training providers, regional workforce boards and areas, and state and local government organizations; and
- Identifying challenges and opportunities to improve the workforce system through an increase in workforce participation and retention, attainment of wages that promote self-sufficiency, and the provision of high-quality, accessible, effective workforce training programs targeted to areas of growth within the Commonwealth.

Describe any other state efforts to support economic growth.

There are no other state efforts planned.

Discussion

Please see the Appendix in AD-25 for additional charts and graphs pertaining to information in this section.

MA-50 Needs and Market Analysis Discussion

Are there areas where households with multiple housing problems are concentrated? (include a definition of "concentration")

The most prevalent housing problem based on data in the needs assessment is housing cost burden. Kentucky's statewide rate for housing cost burden (paying more than 30 percent of income for housing costs) is 11.9 percent. Concentration is defined as a rate of 10 percentage points higher than the state rate, or 21.9 percent. The data used to establish substandard housing provided by the U.S. Census is limited in scope and may not include housing units that are substandard by the state's definition. However, we've identified the following areas by census tract as reporting having multiple housing problems including housing cost burden. Please see the Appendix in AD-25, table "Households reported with Multiple Housing Problems".

Data indicated that the highest concentration of households with housing cost burden and combined minority concentration area with low-income families are concentrated are in the following counties:

- Campbell County
- Daviess County
- Fayette County
- Kenton County
- Warren County

Are there any areas in the jurisdiction where racial or ethnic minorities or low-income families are concentrated? (include a definition of "concentration")

Racially/Ethnically Concentrated Areas of Poverty (R/ECAPs) are census tracts with a non-White population of at least 50% (and 20% outside of metropolitan/micropolitan areas) and a poverty rate that either exceeds 40% or is three times the average tract poverty rate for the metropolitan/micropolitan area, whichever is lower. Outside of Kentucky's urban areas, the application of the HUD definition could potentially overlook areas in need.

An alternative definition is used in which the thresholds are a census tract with a non-White population that is ten percentage points higher than the statewide non-White average and a census tract with a poverty rate of at least 40%. There are currently 24 census tracts in the Commonwealth that meet these criteria:

- Campbell County – 37.6% Non-White / 60.3% Poverty
- Christian County – 41.6% Non-White / 50.3% Poverty
- Daviess County – 35.4% Non-White / 45.1% Poverty
- Edmonson County - 81.7% Non-White / 91.0% Poverty
- Fayette County - 60.9% Non-White / 46.2% Poverty

- Fayette County – 31.8% Non-White / 70.5% Poverty
- Fayette County – 29.2% Non-White / 43.3% Poverty
- Fayette County – 42.2% Non-White / 58.5% Poverty
- Jefferson County – 73.8 % Non-White / 42.1% Poverty
- Jefferson County – 98.4% Non-White / 45.0% Poverty
- Jefferson County – 37.7% Non-White / 51.2% Poverty
- Jefferson County – 49.2% Non-White / 44.2% Poverty
- Jefferson County – 83.4% Non-White / 52.7% Poverty
- Jefferson County – 91.7% Non-White / 78.6% Poverty
- Jefferson County – 68.6% Non-White / 43.2% Poverty
- Jefferson County – 60.0% Non-White / 48.0% Poverty
- Kenton County – 39.8% Non-White / 53.8% Poverty
- Kenton County – 48.8% Non-White / 43.2% Poverty
- Kenton County – 66.7% Non-White / 44.4% Poverty
- McCracken County – 68.9% Non-White / 41.2% Poverty
- Trigg County – 57.1% Non-White / 100.0% Poverty
- Warren County – 45.3% Non-White / 42.4% Poverty
- Warren County – 49.5% Non-White / 42.3% Poverty

Source: American Community Survey five-year estimates 2017

Minority concentration is defined as a county with minority rates for any race that is twice as high as the statewide rate for that minority population. The Appendix in AD-25 details more information about minority populations.

What are the characteristics of the market in these areas/neighborhoods?

The areas if the state with multiple housing problems are primarily rural, especially in the Appalachian region. Many of the counties listed above with concentrations of severe cost burden and substandard housing, also have poverty and unemployment levels higher than the state average. Some Appalachian counties have poverty rates higher than 40 percent. Counties with high minority concentrations generally have higher poverty and unemployment rates.

Are there any community assets in these areas/neighborhoods?

Because many of these counties are very rural with a high number in Appalachia, community assets are less prevalent than in urban areas.

Are there other strategic opportunities in any of these areas?

The Shaping Our Appalachian Region (SOAR) initiative is non-profit, non-partisan organization that is a champion for Appalachia Kentucky. Through collaboration and innovation, the organization has established a network of partners, representing individuals, organizations, and businesses, who believe in supporting the future in Appalachia Kentucky. The mission of the non-profit is to expand job creation; enhance regional opportunity, innovation, and identity, improve the quality of life; and support all those working to achieve those goals in Appalachian Kentucky.

MA-60 Broadband Needs of Housing occupied by Low- and Moderate-Income Households - 91.210(a)(4), 91.310(a)(2)

Describe the need for broadband wiring and connections for households, including low- and moderate-income households and neighborhoods.

Per HUD guidance, all Consolidated Plans submitted after January 1, 2018, must address broadband needs. Below is a map outlining the state of Kentucky's access to providers offering broadband services. The state of Kentucky has a total of 52 internet providers available. It is considered the 46th most connected state, with 94% of the population having access to broadband speeds of 25 Mbps or more. The largest internet provider in Kentucky is Cox Communication, which is available to 100% of Kentucky residents. The average download speed in the state is 9 Mbps. However, 3 Mbps is 100% available, 10 Mbps is 97% available, and 25 Mbps is 60% available to Kentuckians. The cities reported with the fastest internet speeds are Franklin (22 Mbps), Paducah (16 Mbps), Radcliff (16 Mbps), and Newport (15 Mbps).

The Kentucky Communications Network Authority (KCNA) is the public technology authority that partners to build and manage a Commonwealth-owned, leading-edge communication infrastructure service to provide affordable broadband connectivity, foster collaboration, and promote innovative use of digital technologies connecting the people of Kentucky to the world.

In 2017, Kentucky ranked 47th in the country in broadband speeds and capacity. Broadband is now an essential utility service. However, it is too expensive for private carriers to build out a high-speed, high-capacity network across the entire state. With KentuckyWired, the state will be responsible for building out the middle portion of a fiber network, since ISPs can connect to Kentucky. KentuckyWired is a public-private partnership seeking to bring high-speed internet capacity to every corner of the state. Areas in East Kentucky have little-to-no broadband internet access, and the regional economy is experiencing the adverse impacts of the digital divide. The partnership is seeking to build more than 3,000 miles of fiber-optic cable. The goal is a statewide "middle mile" network of dark fiber that reaches every county. KentuckyWired will provide broadband access directly to public schools and universities, state agencies, and other public institutions, while leasing the other half of its fiber to commercial providers.

Kentucky still has roughly 145,000 constituents without any access to wired internet providers; there are roughly 695,000 constituents that only have access to one wired provider. Only 26 percent of Kentuckians has access to 1 gigabit broadband. Improving speeds is a current challenge Kentucky is facing in an attempt to participate in the modern economy.

Describe the need for increased competition by having more than one broadband Internet service provider serve the jurisdiction.

Lack of service and competition slows development of underserved areas. The Commonwealth, through community partnerships, must work to expand the broadband footprint. Of all the states that border Kentucky, the Commonwealth has the second fewest internet service providers operating in the state. Competition for end users will help drive down service cost as well as improve customer service.

Jurisdiction	No Providers	1 or more providers	2 or more providers	3 or more providers
Nationwide	0.04%	99.96%	99.75%	93.40%
Kentucky	0.00%	100.00%	100.00%	93.34%

Table 23 - Broadband Providers - Percentage of Population with Broadband Providers

MA-65 Hazard Mitigation - 91.210(a)(5), 91.310(a)(3)

Describe the jurisdiction’s increased natural hazard risks associated with climate change.

Please see the Appendix in AD-25 for detailed information on Hazard Mitigation.

The Enhanced hazard mitigation plan identifies the following natural hazards:

- Flooding
- Dam Safety
- Drought
- Earthquakes
- Landslides
- Karst/Sinkholes
- Mine Subsidence
- Severe Winter Storms
- Tornadoes and Severe Thunderstorm Wind
- Extreme Temperatures
- Wildfires

Describe the vulnerability to these risks of housing occupied by low- and moderate-income households based on an analysis of data, findings, and methods.

To address changes in land-use and the built environment, changes in population demographics that may affect vulnerability to hazard events, the Mitigation Plan utilizes the Kentucky Annual Economic Report (KAER) published by Center for Business and Economic Research (CBER) in the Gatton College of Business and Economics at the University of Kentucky (UK). “Kentucky’s consistently poor counties are concentrated in Eastern Kentucky, but high poverty is found across the state. Poverty rates in Bell, Clay, Martin, McCreary, and Owsley Counties are over 40 percent – the highest in the state – while Bullitt, Boone, Oldham, and Spencer Counties have rates in the single digits. There can be, of course, concentrated pockets of poverty within counties with relatively low rates. At 24.7 percent, the ‘mostly rural’ counties generally have higher poverty rates than the ‘slightly rural’ (18.4%) and metro counties (15.3%) [2018 (KAER), p. 97].”