

## Expected Resources

### AP-15 Expected Resources – 91.320(c)(1,2)

#### Introduction

In addition to newly allocated block grant funds, an estimate of program income and recaptured funds from prior years are included in each year's allocation plan. Total allocations to activities may not equal total expected resources, because administrative funds, CHDO operating funds, CHDO set-aside funds, and contingency funds are not included in allocations to activities. Allocations to activities may change based on need, demand, and other factors.

#### Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	23,137,162	0	0	23,137,162	115,000,000	CDBG allocations vary from year to year. The expected amount available for the remainder of the Con Plan is an estimate and may change.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	8,846,758	1,000,000	4,783,650	14,630,408	44,000,000	HOME funding has decreased substantially during the past several years and this trend is expected to continue.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOPWA	public - federal	Permanent housing in facilities Permanent housing placement Short term or transitional housing facilities STRMU Supportive services TBRA	530,584	0	0	530,584	2,650,000	HOPWA funding has remained relatively stable during the past several years and is based on the number of reported HIV/AIDS cases. During the coming years, an increase in HIV/AIDS cases may be expected due to increased heroin use in this area of the country.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	2,417,145	0	0	2,417,145	12,000,000	ESG funding has increased substantially during the past several years as the program has been revised to include a focus on rapid-rehousing.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other	public - federal	Admin and Planning Overnight shelter Rapid re-housing (rental assistance) Services Other	23,404,450	0	0	23,404,450	23,404,450	ESG-CV funds will be used to fund emergency shelter (including temporary shelter), rapid rehousing, homelessness prevention, and associated administrative costs
Other	public - federal	Admin and Planning Rental Assistance STRMU Supportive services TBRA Other	129,762	0	0	129,762	129,762	HOPWA-CV funds will be used to increase allocations to existing HOPWA formula grantees to allow the provision of additional STRMU and TBRA resources, cover administrative costs, and will allow budget modifications to allocated funds on an as needed basis to the leasing line item to support short-term hotel/motel vouchers should clients need to isolate due to a COVID-19 infection

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other	public - federal	Multifamily rental new construction Multifamily rental rehab	3,000,000	0	0	3,000,000	12,000,000	Housing Trust Fund, multifamily housing for extremely low-income and very low income households. HTF funding is a new federal resource. The amount of funds available for future allocations may vary.
Other	public - federal	Other	32,552,334	0	0	32,552,334	32,552,334	Coronavirus Aid Relief and Economic Stability

Table 1 - Expected Resources – Priority Table

**Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied**

**If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan**

None.

**Discussion**

KHC is the administering agency for the Low-Income Housing Tax Credit. This program is coordinated with HOME, NHTF, and other funding, including state Affordable Housing Trust Fund and KHC Housing Assistance Funds to produce and rehabilitate the maximum number of affordable rental units possible. Entities applying for tax credits apply for other forms of funding/financing through KHC by way of a consolidated application.

Several additional affordable housing and economic development programs are active in the state of Kentucky although not administered under this plan or by KHC or DLG. Additional agencies and entities that offer programs and funding are:

- Bluegrass State Skills Corporation
- Kentucky Small Business Development Centers
- Department of Behavioral Health, Developmental and Intellectual Disabilities
- Kentucky Economic Development Cabinet
- Fannie Mae
- Federal Emergency Management Agency and Kentucky Emergency Management Agency
- Federal Housing Administration
- Federal Home Loan Bank
- Kentucky Historic Preservation Office
- U.S. Department of Housing and Urban Development
- Kentucky Association of Counties
- Kentucky Department of Veterans Affairs
- Kentucky Domestic Violence Association
- Kentucky Economic Development Finance Authority (KEDFA)
- Kentucky Infrastructure Authority
- Kentucky Justice Cabinet/Department of Corrections
- Kentucky League of Cities
- Kentucky Rural Economic Development Authority
- Kentucky Transportation Cabinet
- USDA Rural Housing Service
- US Small Business Administration
- US Army Corps of Engineers
- US Veterans Administration

## Annual Goals and Objectives

### AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e)

#### Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	HOME Homeowner Activities	2015	2019	Affordable Housing	Non-Entitlement Geographic Area	Production of New Affordable Housing	HOME: \$3,000,000	Homeowner Housing Added: 38 Household Housing Unit Homeowner Housing Rehabilitated: 4 Household Housing Unit
2	HOME Rental Assistance	2015	2019	Affordable Housing	Non-Entitlement Geographic Area	Rental Assistance	HOME: \$750,000	Tenant-based rental assistance / Rapid Rehousing: 172 Households Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
3	HOME Multifamily Activities	2015	2019	Affordable Housing	Non-Entitlement Geographic Area	Acquisition/Rehabilitation of Affordable Housing Rehabilitation of Affordable Housing	HOME: \$8,000,000	Rental units constructed: 30 Household Housing Unit Rental units rehabilitated: 30 Household Housing Unit
4	ESG Activities	2015	2019	Homeless	Non-Entitlement Geographic Area	Emergency/Transitional Housing For the Homeless Homelessness Outreach	ESG: \$2,417,145	Homeless Person Overnight Shelter: 4000 Persons Assisted Homelessness Prevention: 1000 Persons Assisted Other: 1600 Other
5	HOPWA Activities	2015	2019	Non-Homeless Special Needs	Non-Entitlement Geographic Area	Homelessness Prevention Rental Assistance	HOPWA: \$621,480	Tenant-based rental assistance / Rapid Rehousing: 189 Households Assisted Other: 31 Other
6	CDBG Housing	2015	2019	Affordable Housing	Non-Entitlement Geographic Area	Production of New Affordable Housing Rehabilitation of Affordable Housing	CDBG: \$3,100,000	Homeowner Housing Rehabilitated: 41 Household Housing Unit

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
7	CDBG Economic Development	2015	2019	Non-Housing Community Development	Non-Entitlement Geographic Area	Economic Development	CDBG: \$4,450,000	Jobs created/retained: 193 Jobs Businesses assisted: 7 Businesses Assisted
8	CDBG Public Facilities	2015	2019	Non-Housing Community Development	Non-Entitlement Geographic Area	Public Facilities	CDBG: \$6,600,000	Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit: 33000 Households Assisted
9	CDBG Services	2015	2019	Recovery Kentucky Services	Non-Entitlement Geographic Area	Public Services	CDBG: \$3,100,000	Public service activities other than Low/Moderate Income Housing Benefit: 1100 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
10	CDBG Public Improvements/Infrastructure	2015	2019	Non-Housing Community Development	Non-Entitlement Geographic Area	Public Improvements/Infrastructure	CDBG: \$5,100,000	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 9857 Persons Assisted

Table 2 – Goals Summary

### Goal Descriptions

1	Goal Name	HOME Homeowner Activities
	Goal Description	
2	Goal Name	HOME Rental Assistance
	Goal Description	Funding for this activity is focused on TBRA programs. KHC may allocate additional HOME funds as a contingency for TBRA activities to assist households who have been temporarily displaced due to a disaster or emergency as declared by the governor.
3	Goal Name	HOME Multifamily Activities
	Goal Description	Construction, Rehabilitation, Acquisition/Rehab of multifamily units.

4	<b>Goal Name</b>	ESG Activities
	<b>Goal Description</b>	
5	<b>Goal Name</b>	HOPWA Activities
	<b>Goal Description</b>	
6	<b>Goal Name</b>	CDBG Housing
	<b>Goal Description</b>	
7	<b>Goal Name</b>	CDBG Economic Development
	<b>Goal Description</b>	
8	<b>Goal Name</b>	CDBG Public Facilities
	<b>Goal Description</b>	
9	<b>Goal Name</b>	CDBG Services
	<b>Goal Description</b>	
10	<b>Goal Name</b>	CDBG Public Improvements/Infrastructure
	<b>Goal Description</b>	



## AP-25 Allocation Priorities – 91.320(d)

### Introduction:

Kentucky’s block grant funds will be distributed throughout the state on a competitive basis for eligible activities through several methods described in the program guidelines for each program. Units of local government, nonprofit and for-profit entities will be able to apply for funding to carry out eligible activities. This distribution system allows eligible agencies to apply for funding for activities that will address the priority needs for their community. In addition, funds awarded to local communities will also address the needs addressed in the state’s Consolidated Plan.

The allocation distribution in the table below is an estimate. Depending upon the types of applications received, DLG and KHC may reallocate funding between eligible activities. The distribution in the table below does not include administrative costs, contingencies for disasters, CHDO set-aside, CHDO operating, and HMIS.

### Funding Allocation Priorities

	HOME Homeowner Activities (%)	HOME Rental Assistance (%)	HOME Multifamily Activities (%)	ESG Activities (%)	HOPWA Activities (%)	CDBG Housing (%)	CDBG Economic Development (%)	CDBG Public Facilities (%)	CDBG Services (%)	CDBG Public Improvements/Infrastructure (%)	Total (%)
CDBG	0	0	0	0	0	0	0	0	0	0	0
HOME	0	0	0	0	0	0	0	0	0	0	0
HOPWA	0	0	0	0	0	0	0	0	0	0	0
ESG	0	0	0	0	0	0	0	0	0	0	0
Other Housing Trust Fund	0	0	0	0	0	0	0	0	0	0	0

Table 3 – Funding Allocation Priorities

### Reason for Allocation Priorities

Allocation priorities are set based on the state's best understanding of needs and applications that may be received.

**How will the proposed distribution of funds will address the priority needs and specific objectives described in the Consolidated Plan?**

All priorities are considered equal because the plan is a statewide plan.

## AP-30 Methods of Distribution – 91.320(d)&(k)

### Introduction:

Each program covered by this Action Plan has a unique timeline and method for distributing its funds.

Kentucky's block grant funds will be distributed throughout the state on a competitive basis for eligible activities through several methods described in the program guidelines for each program for the purposes of preserving existing affordable housing as well as fostering new affordable housing opportunities. Units of local government, nonprofit and for-profit entities will be able to apply for funding to carry out eligible activities, subject to the limitations of each program. This distribution system allows eligible agencies to apply for funding for activities that will address the priority needs for their community. In addition, funds awarded to local communities will also address the housing needs outlined in the state's Consolidated Plan. Eligible activities and recipient types for each block grant program are specifically addressed in their distribution plans.

### Distribution Methods

**Table 4 - Distribution Methods by State Program**

1	<b>State Program Name:</b>	Community Development Block Grant Program
	<b>Funding Sources:</b>	CDBG

<p><b>Describe the state program addressed by the Method of Distribution.</b></p>	<p>The HUD CDBG Program provides assistance to communities for use in revitalizing neighborhoods, expanding affordable housing and economic opportunities, assisting with community emergency relief, providing infrastructure, improving community facilities, and providing operational costs for Recovery Kentucky substance abuse centers. With the participation of their citizens, communities can devote these funds to a wide range of activities that best serve their own particular development priorities.</p> <p>DLG works directly with eligible units of local government in distributing CDBG funds, which are awarded on a competitive basis through an open application process. Local governments are best equipped to understand the needs of their individual communities and, through an open application process, present projects for funding that are ready to proceed. To strengthen gaps in this process, DLG conducts training for local officials and grant administrators. Training acquaints the officials with the regulatory requirements of the program. Information included that assists in ensuring strong applications and successful projects includes environmental requirements, labor standards, procurement standards, fair housing and equal opportunity and concerns related to construction and housing.</p>
<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>All cities and counties in Kentucky are eligible for participation in the CDBG Program with the exception of the cities of Ashland, Bowling Green, Covington, Elizabethtown, Henderson, Hopkinsville, Owensboro, the City of Lexington/Fayette County and City of Louisville/Jefferson County Metro Government which receive a direct allocation of CDBG funds from the federal government.</p> <p>Applications are reviewed based on the following criteria: need, necessary and reasonable expenditures of funds, and project effectiveness.</p>

<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>The CDBG Program Guidelines, including detailed information about each eligible activity, are available at: <a href="https://kydlgweb.ky.gov/FederalGrants/CDBG_cities.cfm">https://kydlgweb.ky.gov/FederalGrants/CDBG_cities.cfm</a></p>
<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>N/A</p>
<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	<p>N/A</p>

<p><b>Describe how resources will be allocated among funding categories.</b></p>	<ul style="list-style-type: none"> <li>• Public Facilities - \$6,600,000</li> <li>• Economic Development - \$4,400,000</li> <li>• Housing - \$3,093,047</li> <li>• Community Projects/Renaissance - \$5,100,000</li> <li>• Public Services (Recovery Kentucky) - \$3,100,000</li> <li>• Community Emergency Relief Fund - TBD based on need</li> <li>• Microenterprise Development - \$50,000</li> </ul> <p>Some minor adjustment of the split of funds is possible depending on the actual number of applications and amount requested by applicants. DLG reserves the right to make those adjustments as necessary.</p> <p>The Commissioner of DLG reserves the right to adjust the amount and split of funds in case of a natural disaster based on an Emergency Declaration by the Governor. The resulting projects must meet the qualifying factors for Activities Designed to Meet Community Development Needs Having a Particular Urgency. In such instances, funding levels can be adjusted as necessary based on the extent and severity of the emergency.</p>
--	---

<p><b>Describe threshold factors and grant size limits.</b></p>	<ul style="list-style-type: none"> <li>• Economic Development (Traditional) - \$1,000,000 Individual; \$2,000,000 Multi-Jurisdiction</li> <li>• Economic Development (Non-Traditional) - \$250,000 Individual; \$500,000 Multi-Jurisdiction</li> <li>• Microenterprise Development - \$50,000 Individual</li> <li>• Public Facilities - \$1,000,000 Individual; \$2,000,000 Multi-Jurisdiction</li> <li>• Self-Help - \$250,000 Individual; \$500,000 Multi-Jurisdiction</li> <li>• Housing - \$1,000,000 Individual</li> <li>• Community Projects/Renaissance - \$500,000 Individual</li> <li>• Community Emergency Relief Fund (CERF)- \$100,000 Individual</li> <li>• Public Services (Recovery Kentucky) Existing Facilities - \$250,000</li> <li>• Public Services (Recovery Kentucky) New Facilities - \$300,000</li> </ul> <p>Each jurisdiction must choose whether to submit a Public Facilities, Housing or Community Project application. Only one application may be submitted per year for the three areas listed above. In addition, an applicant may submit one application in the Microenterprise Development and Public Services (Recovery Kentucky) program areas. A jurisdiction is not limited in the number of applications in the CERF and Economic Development program areas. Only one program area may be applied for per application.</p>
---	---

	<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	<p>Recipients must acknowledge that they will be required to submit performance measure information to DLG in order to meet this reporting requirement. As part of this process, each recipient will be required to complete a Program Completion Report at closeout. Some recipients, due to the nature of their projects (housing rehab and job creation), will report annually.</p> <p>There are three main components of the Performance Measurement System: Objectives, Outcomes and Indicators. Each component relates to a project activity. DLG will assign one of three objectives related to the type of activity, funding source and goal/program intent.</p> <p>Objectives include:</p> <ul style="list-style-type: none"> <li>• Suitable Living Environment</li> <li>• Decent Housing</li> <li>• Economic Opportunity</li> </ul> <p>The next step will be selection of an outcome based upon the purpose of the activity.</p> <p>Outcomes include:</p> <ul style="list-style-type: none"> <li>• Improved Availability/Accessibility</li> <li>• Improved Affordability</li> <li>• Improved Sustainability</li> </ul> <p>In addition to selecting an objective and outcome for each project activity, certain indicators will be required to be identified and quantified. These indicators vary by program area (CERF, Community Projects/Renaissance, Economic Development, Housing, Microenterprise Development, Public Facilities, and Public Services).</p>
2	<p><b>State Program Name:</b></p>	<p>Emergency Solutions Grant Program</p>
	<p><b>Funding Sources:</b></p>	<p>ESG</p>

<p><b>Describe the state program addressed by the Method of Distribution.</b></p>	<p>ESG is designed for the rehabilitation or conversion of buildings for use as emergency shelter for the homeless, for the payment of certain expenses related to operating emergency shelters, for essential services related to emergency shelters and street outreach for the homeless, and for homelessness prevention and rapid re-housing assistance.</p>
<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>Funds will be awarded using a competitive application process where applicants will be evaluated on such areas as: local needs, applicant experience/capacity, project design, community coordination, and other factors. Applicants will also address Impediments to Fair Housing and how they will address and help eliminate fair housing impediments. Applicant capacity and project design will be most heavily weighted in the scoring criteria.</p> <p>Applications will be ranked based on score and allocations will be made based on applicant ranking and overall request. Because funding priorities have been established for shelter activities and rapid re-housing, KHC reserves the right to fund portions of an applicant's request.</p> <p>ESG Applicants are provided with instructions to access the ESG Interim Rule, HUD's Final Rule on the Homeless Definition, ESG Program Guidelines and a series of ESG application training videos, all made available on KHC's Web site.</p>
<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>N/A</p>

<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>All of Kentucky's allocation must be made available to Balance of State Continuum of Care cities and counties or private nonprofit organizations on a competitive basis. KHC will make ESG funds available to eligible non-profits and local governments from the 118 counties in Kentucky that do not receive a direct allocation of ESG as an entitlement area. All funds will be obligated to sub-grantees within 60 days of the state KHC enters into its funding agreement with HUD. KHC accepts applications from all eligible applicants (including first-time applicants and faith-based groups).</p>
<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	<p>N/A</p>

<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>KHC will be following the HUD recommendations to aggressively fund rapid re-housing activities using Emergency Solutions Grant funds. KHC has designated that a minimum of 36 percent will be dedicated to rapid re-housing activities with the remaining 64 percent available to be used for other eligible activities under street outreach, shelter activities, homeless prevention, HMIS and administration.</p> <p>In an effort to reduce the time that families and individuals remain homeless and shorten the length of stay in the homeless system, it is important to dedicate the resources necessary to achieve those outcomes. By dedicating a large amount of funds to the rapid re-housing component, agencies receiving the funds will be able to target the assistance to those clients with the greatest need.</p> <p>While many communities have traditionally seen great success in utilizing homeless emergency shelters and with homeless prevention programs, there will still be some funds available for use on those activities as well as a small portion expected to be used for HMIS expenses and administrative costs.</p>
<p><b>Describe threshold factors and grant size limits.</b></p>	<p>Previous years allocation levels do <b>not</b> guarantee current allocation amounts.</p> <p>No single application may request more than \$150,000.00 of the total amount of funds available. The only time a single applicant can submit more than one application is if the project's facilities are located in different counties. No more than two applications will be accepted from any single applicant.</p> <p>KHC will make every attempt to award limited resources as prudently as possible and will award those agencies with the greatest capacity to effectively administer the funds. The amount of funds awarded will depend on how well a particular application scores. Those applications receiving higher scores will receive awards. Applications with low scores are less likely to receive funding. KHC intends to fund projects based on project viability, applicant capacity and program design. It is our goal to achieve as much geographic distribution as possible, while ensuring that the strongest applications receive funding based on their total scores.</p>

	<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	<p>Measures include how KHC will evaluate each ESG service provider's effectiveness in:</p> <ol style="list-style-type: none"> <li>1. Targeting those who need the assistance most</li> <li>2. Reducing the number of people living on the streets or in emergency shelters</li> <li>3. Shortening the time people spend in homelessness</li> <li>4. Reducing each program participant's housing barriers or housing stability risks</li> <li>5. Analyzing Program Outcomes</li> </ol> <p>All standards are aligned with the HEARTH Act Performance Standards to be used under each ESG Program Component:</p> <ul style="list-style-type: none"> <li>• Street Outreach - Reduction in Homelessness; Return to Homelessness; Hard to Serve; Exits to Housing; Length of Stay</li> <li>• Emergency Shelter Activities - Reduction in Homelessness; Length of Stay; Returns to Homelessness; Hard to Serve; At-risk Populations; Exits to Permanent Housing</li> <li>• Homelessness Prevention - Length of Stay; Returns to Homelessness; Hard to Serve; At-Risk Populations; Income Growth; Exits to Permanent Housing</li> <li>• Rapid Re-housing - Reduction in Homelessness; Length of Stay; Returns to Homelessness; Hard to Serve, At-Risk Populations; income Growth; Exits to Permanent Housing</li> <li>• HMIS - Data quality</li> </ul>
3	<p><b>State Program Name:</b></p>	<p>HOME Investment Partnerships Program</p>
	<p><b>Funding Sources:</b></p>	<p>HOME</p>

<p><b>Describe the state program addressed by the Method of Distribution.</b></p>	<p>Activities eligible for funding include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• Rehabilitation for homeowner, home buyer or rental properties</li> <li>• Acquisition, including down payment and closing cost assistance</li> <li>• New construction or preservation of rental or home buyer properties</li> <li>• Tenant-based rental assistance</li> <li>• Demolition in conjunction with rehabilitation or new construction</li> <li>• Reconstruction housing</li> <li>• Adaptive reuse</li> <li>• Homeless assistance (restricted to housing development activities for transitional or permanent housing, and tenant-based rental assistance)</li> </ul> <p>KHC may undertake additional activities permitted by federal regulation. Assistance may be provided for rental housing or to promote homeownership. Any activity that qualifies under the HOME Final Rule, Sections 24 CFR 92.205-209, may be financed by the state HOME Program, provided it is consistent with the Consolidated Plan and this Action Plan. KHC may hold a portion of its HOME allocation as a contingency for disasters and other emergencies as declared by the governor. These funds may be used for TBRA for displaced households.</p>
---	---

<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>Eligibility to apply for HOME funds will be no more restrictive than that required by HUD regulations. Applications may be submitted for homeownership, tenant-based rental assistance and rental activities. Application submission deadlines for federal fiscal year 2015 will be determined and published. Notification that applications are being accepted will be made via KHC's eGram service.</p> <p>Applications will be evaluated on: performance measures; project need/demand; financial design and feasibility; project design; capacity of the development team; and readiness to proceed. KHC will make every effort to work with applicants and offer technical assistance when completing an application. After an application is given a conditional commitment of funding, the applicant must submit necessary technical submission items in order to receive a full release of funds. In the event a recipient has not satisfactorily performed under the terms of the written agreement with KHC or has not initiated a HOME project for which funding was awarded, KHC will not accept subsequent applications.</p> <p><i>Plan for determining compliance with the 95 percent median purchase price 92.254(a)(2)(iii):</i></p> <p>The Final Rule published on July 24, 2013, established new homeownership value limits for the HOME program. These new limits apply to homeownership housing when HOME funds are committed on or after August 23, 2013, and remain in effect until HUD issues new limits. For newly constructed housing, KHC has further restricted the purchase price/after-rehabilitation value limits to \$150,000.</p> <p>For existing housing, the new HOME homeownership value limit is the greater of the 95 percent of the median purchase price for the area based on Federal FHA single-family mortgage program data and other appropriate data that are available nationwide for sale of existing housing in standard condition, or the minimum limit (or floor) based on 95 percent of the statewide, nonmetropolitan area median purchase price using this data. This limit encompasses the total purchase/rehabilitation price, regardless of source of financing. KHC will use the Homeownership Value limits released by HUD annually at:</p> <p>HOME Maximum Purchase Price/After-Rehab Value - HUD Exchange</p>
--	---

	<p>TBRA applications will be accepted through a competitive application process. When a potential recipient submits a TBRA application, they must document the need for the project by agency data such as waiting lists for assistance.</p>
<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>N/A</p>
<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>N/A</p>

<b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b>	N/A
--	-----

<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>KHC cannot predetermine the use of HOME funds by activity. The amount of funds allocated for each activity will be based on the nature of applications received by KHC, the criteria described in the application process and the extent to which proposals are consistent with the priorities identified in this plan. KHC will make every attempt to distribute funds geographically, contingent upon overall housing demand.</p> <p>KHC has estimated the distribution of funds by activity based on anticipated funds and has included program income and recaptures. The distribution may change based on actual demand by activity. KHC anticipates that fiscal year 2015 funds will be distributed approximately as follows:</p> <ul style="list-style-type: none"> <li>• Homeowner activities, including new construction, rehabilitation, acquisition/rehabilitation/rehab - \$3,000,000</li> <li>• Tenant-Based Rental Assistance - \$750,000</li> <li>• Rental Production/Rehab - \$6,000,000</li> </ul> <p>KHC will utilize program income, reprogrammed administrative funds and carryover funds from prior years, recaptured funds and matching funds provided by KHC (if any) as necessary to meet the objectives of the state. Additionally, if necessary, KHC reserves the right to adjust funding levels between these activities as determined by KHC. KHC may allocate funding on a contingency basis for disasters and emergencies as declared by the governor. It is anticipated that these funds would be used to provide short term rental assistance to displaced families.</p> <p>CHDO operating funds, administrative funds, CHDO set-aside funds, and disaster contingencies are not included in the above allocations toward eligible activities.</p>
--	---

<p><b>Describe threshold factors and grant size limits.</b></p>	<p>KHC imposed performance based thresholds for HOME funds. Applicants are required to have expended all funds from allocations awarded more than 24 months ago. Additionally, they are required to have committed 100 percent of funds allocated more than 12 months to individual households and expended at least 50 percent of funds allocated more than 12 months ago. KHC reserves the right to allow threshold waivers for extenuating circumstances.</p> <p>In FFY2015, KHC will allow eligible applicants to request up to \$500,000 of HOME funds for multifamily activities unless the project was preapproved for additional funding, \$600,000 for CHDO set-aside activities, or \$500,000 non-CHDO single-family activities. KHC will allow eligible applicants to request a maximum of \$600,000 of HOME funds during an application round. The amount may decrease depending on the amount of available HOME funds. KHC may impose a smaller amount for first time applicants, or applicants with limited experience. KHC may allow higher amounts for multifamily projects utilizing tax-exempt bonds or based on the size and complexity of projects.</p> <p>Additionally, KHC will review the capacity of applicants and may require applicants for HOME funds to meet a minimum capacity score to be eligible for funding. Consideration will be given to past performance, current debt obligation to KHC and compliance with past funding.</p> <p>KHC will reserve a minimum of 15 percent of the total amount of HOME funds received for Community Housing Development Organizations (CHDOs). CHDOs apply to KHC to develop, sponsor or own projects and will be eligible to undertake any eligible activity in accordance with 24 CFR Part 92 Subpart G. Due to the extensive network of nonprofit housing providers in the state, KHC anticipates that the annual participation of CHDOs will exceed 15 percent of total HOME funds. To apply for funds from the CHDO set-aside, an organization must be eligible to be a CHDO. KHC does not accept certifications of other participating jurisdictions.</p> <p>KHC will evaluate the performance of any eligible organization wishing to receive CHDO designation at the time of application. If the organization is successful in the application process and is deemed a CHDO, CHDO operating funds may be awarded. CHDO operating funds will be provided on a year-by-year basis provided funds are available and the CHDO has demonstrated acceptable performance. To document its performance and be eligible to receive operating funds, the CHDO must provide semi-annual progress reports. CHDO operating funds are awarded on a yearly basis coinciding with KHC's</p>
---	---

		<p>fiscal year. Draw requests for eligible expenditures may be made on a calendar quarter reimbursement basis. Additionally, a portion of this year's HOME allocation will be used for CHDO operating expenses</p> <p>KHC has imposed a maximum subsidy cap of \$40,000 per unit for homeownership activities. However, KHC reserves the right to allow subrecipients to exceed this maximum with prior written approval. All HOME funds used for homeownership activities will be required at a minimum to meet the HOME affordability period as established in 24 Part 92.254. Additional guidance on maximum subsidy cap and affordability periods will be detailed in the Homeownership Application Guidelines and Scoring Criteria.</p>
	<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	<p>KHC anticipates that due to the capacity and threshold requirements, there may be fewer applicants for funding, but by increasing the allocation amounts, applicants with greater capacity will be awarded funds. This will also allow KHC to meet newly imposed expenditure deadlines imposed with the new HOME regulations in effect after August 23, 2013.</p> <p>Outcome measures include availability/affordability/accessibility of decent affordable housing.</p>
4	<p><b>State Program Name:</b></p>	Housing Opportunities for Persons with AIDS
	<p><b>Funding Sources:</b></p>	HOPWA

<p><b>Describe the state program addressed by the Method of Distribution.</b></p>	<p>Any activity that qualifies under the HOPWA federal program rules may be awarded by KHC through the federally funded state HOPWA Program, provided it is consistent with the Consolidated Plan and this Action Plan. Activities eligible for funding include Tenant-Based Rental Assistance; Short-Term Rent, Mortgage, and/or Utilities; Supportive Services; Resource Identification; Housing Information Services; Permanent Housing Placement; and Administrative Fees.</p> <p>KHC reserves the right to further restrict any of the HOPWA program guidelines, as approved by HUD.</p>
<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>HOPWA applications are through a competitive process using KHC’s online application software. Applicants are scored on criteria such as: performance measures, previous compliance and/or program issues, reporting, project need, geographic coverage, and agency experience</p> <p>KHC will make every effort to work with applicants and offer technical assistance when completing an application.</p> <p>It is crucial to evaluate each agency based on various criteria in order to be certain that the funds are being administered according to the guidelines. All criteria listed are scored by a team and awards are based on highest ranked scores.</p>
<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>N/A</p>

<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>N/A</p>
<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	<p>KHC will continue to provide funding for the five Care Coordinator regions within the balance of state.</p> <p>These regions are:</p> <ul style="list-style-type: none"> <li>• Barren River Region</li> <li>• Cumberland Valley Region</li> <li>• Lexington Region</li> <li>• Northern Kentucky Region</li> <li>• Purchase Region</li> </ul> <p>Currently, project sponsors have been administering federal funds, including HOPWA, for several years and have the knowledge and qualifications needed to encourage successful client outcomes.</p>

<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>While KHC has not established minimum or maximum funding amounts by category, in general, most agencies request the largest amount of funding for STRMU, TBRA, and services. Housing assistance in the form of long- and short-term rent subsidies continues to be in high demand in all areas of the state. KHC will continue to allow requests for all eligible categories within the program.</p>
<p><b>Describe threshold factors and grant size limits.</b></p>	<p>At this time, threshold limits are not restricted. The amount of funds allocated for each activity will be based on the nature of applications received by KHC. KHC will make every attempt to distribute funds geographically, contingent upon overall application submission scoring.</p> <p>KHC will utilize carryover funds from prior years and/or recaptured funds as necessary to meet the objectives of the state. Additionally, if necessary, KHC reserves the right to adjust funding levels between these activities as determined by KHC.</p>
<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	<p>HOPWA programs will be evaluated based on the outcome measures currently identified in the HUD 40110-D CAPER (Housing Status at program exit, reduced risk of homelessness and access to care and support), with emphasis on housing status at program exit.</p> <p>Because the housing portions of STRMU and TBRA are where most of the funds are utilized, the housing results will be most important.</p>

**Discussion:**

Each program has a specific, individual method for distribution of funds. KHC and DLG periodically announce funding rounds via eGrams and on their Web sites.

## AP-35 Projects – (Optional)

### Introduction:

KHC and DLG, as state allocating agencies, do not specify projects to be funded in advance of allocations from HUD. Funds are awarded on a competitive basis after the Action Plan is submitted to HUD.

#	Project Name
1	2015-2018 AIDS Vounteers, Inc KYH151F99 (AVOL)
2	2015-2018 Kentucky Hsg Corp KYH15F999 (KHC)
3	2015-2018 Heartland Cares KYH15F999 (Heartland Cares)
4	2015-2018 Matthew 25 AIDS Services KYH15F999 (Matthew 25)

**Table 5 – Project Information**

**Describe the reasons for allocation priorities and any obstacles to addressing underserved needs**

## AP-38 Project Summary

### Project Summary Information

1	<b>Project Name</b>	2015-2018 AIDS Vounteers, Inc KYH151F99 (AVOL)
	<b>Target Area</b>	
	<b>Goals Supported</b>	HOPWA Activities
	<b>Needs Addressed</b>	Rental Assistance Homelessness Prevention
	<b>Funding</b>	HOPWA: \$282,167
	<b>Description</b>	provide assistance to clients diagnosed with HIV/AIDS
	<b>Target Date</b>	
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	
	<b>Location Description</b>	
	<b>Planned Activities</b>	See above
2	<b>Project Name</b>	2015-2018 Kentucky Hsg Corp KYH15F999 (KHC)
	<b>Target Area</b>	
	<b>Goals Supported</b>	
	<b>Needs Addressed</b>	
	<b>Funding</b>	HOPWA: \$15,917
	<b>Description</b>	admin

	<b>Target Date</b>	
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	
	<b>Location Description</b>	
	<b>Planned Activities</b>	Admin
<b>3</b>	<b>Project Name</b>	2015-2018 Heartland Cares KYH15F999 (Heartland Cares)
	<b>Target Area</b>	
	<b>Goals Supported</b>	HOPWA Activities
	<b>Needs Addressed</b>	Rental Assistance Other Housing and/or Service Needs
	<b>Funding</b>	HOPWA: \$222,500
	<b>Description</b>	provide assistance to clients diagnosed with HIV/AIDS
	<b>Target Date</b>	
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	
	<b>Location Description</b>	
	<b>Planned Activities</b>	See above.
<b>4</b>	<b>Project Name</b>	2015-2018 Matthew 25 AIDS Services KYH15F999 (Matthew 25)
	<b>Target Area</b>	
	<b>Goals Supported</b>	HOPWA Activities
	<b>Needs Addressed</b>	Rental Assistance Other Housing and/or Service Needs

<b>Funding</b>	HOPWA: \$10,000
<b>Description</b>	provide assistance to clients diagnosed with HIV/AIDS
<b>Target Date</b>	
<b>Estimate the number and type of families that will benefit from the proposed activities</b>	
<b>Location Description</b>	
<b>Planned Activities</b>	See above



## **AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii)**

**Will the state help non-entitlement units of general local government to apply for Section 108 loan funds?**

Yes

### **Available Grant Amounts**

The Section 108 Loan Guarantee Program will allow Kentucky to leverage up to five times its annual CDBG allocation for large-scale economic development and community projects. In light of current market conditions and to encourage development in Kentucky, the Commonwealth is now considering applications from non-entitlement communities that the Commonwealth may submit to HUD on behalf of these communities for the Section 108 Loan Guarantee program. Funds borrowed using Section 108 requires a pledge of the Commonwealth's current and future CDBG allocations. The Section 108 program provides an additional source of funds to address significant economic development and community projects which have a regional or statewide impact.

### **Acceptance process of applications**

Eligible applicants must submit a letter to DLG's director of the Office of Federal Grants from the chief executive official requesting an invitation to submit an application. The letter must include a description of the proposed project activities to be undertaken, the National Objective to be met, activities to be financed with specific eligibility citation provided, the public benefit to be derived for the proposed activities, projected time table, total project cost, sources of all funds, and any other pertinent information or documentation to support the request. Applicants are encouraged to meet with DLG staff to discuss potential projects prior to submittal.

DLG will review each letter of request for compliance with federal requirements and state priorities. The request will be reviewed based on criteria set forth in the Program Guidelines. DLG will advise applicants in writing of acceptance for an application to HUD. While there are no standard application forms, elements and items of documentation are required as set forth in the Guidelines. Applications will be submitted at any time during the program year.

## **AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)**

**Will the state allow units of general local government to carry out community revitalization strategies?**

Yes

### **State’s Process and Criteria for approving local government revitalization strategies**

While DLG has no formal CDBG Community Revitalization Strategy (CRS) as set forth in CPD Notice 97-1, issued on February 4, 1997, DLG is willing to work with communities to get local strategies approved. DLG would require a locality to request to use the CRS prior to submitting an application and their plan must meet the HUD criteria for CRS and be approved by DLG and HUD.

DLG allows communities, within the regular guidelines to carry out various kinds of eligible revitalization activities particularly through the Community Projects program area. Projects such as senior centers, health and wellness centers, slum and blight removal and other community revitalization activities are often done. Many projects include partnerships with funds from other sources and participation of non-project agencies.

## **AP-50 Geographic Distribution – 91.320(f)**

### **Description of the geographic areas of the state (including areas of low-income and minority concentration) where assistance will be directed**

CDBG: All cities and counties in Kentucky are eligible for participation in the CDBG Program with the exception of the cities of Ashland, Bowling Green, Covington, Elizabethtown, Henderson, Hopkinsville, Owensboro, the City of Lexington/Fayette County and City of Louisville/Jefferson County Metro Government which receive a direct allocation of CDBG funds from the federal government.

HOME: Based upon demand for available funds, KHC will make every effort to ensure that the HOME funds are disbursed geographically. Reservations of HOME funds will be monitored throughout the year. If deemed appropriate, KHC may discontinue allowing applications from certain areas of the state if the area has already received greater funding as compared to other areas of the state. Such a hold on applications would only continue until KHC could ascertain the demand for funds in all areas of the state. In the FFY2015 program year, KHC may allocate up to \$2 million in HOME funds in entitlement jurisdictions to support tax-exempt bond transactions for multifamily housing.

ESG: All of Kentucky's allocation must be made available to Balance of State Continuum of Care cities and counties or private nonprofit organizations on a competitive basis. Because funds requested are always more than what is available, KHC will continue the practice of only funding ESG applicants serving clients in non-entitlement ESG areas. It is KHC's intention to fund eligible applicants representing a broad geographic area in the state.

HOPWA: Eligible applicants are nonprofit agencies and local governments. Funding will be made available as renewal of last fiscal year's funding distributed to five areas of the Commonwealth established for funding distribution by the Cabinet for Health and Family Services. The formula is based on the number of reported persons living with AIDS in each of the regions according to the Kentucky Department for Public Health, Division of Epidemiology and Health Planning.

Eligible applicants for HOPWA funding will submit plans for the use of HOPWA funding to KHC. The plans outline the activities to be undertaken and the process for the use of funding.

All funds are allocated through competitive funding applications submitted for eligible activities.

### **Geographic Distribution**

<b>Target Area</b>	<b>Percentage of Funds</b>
Non-Entitlement Geographic Area	100

**Table 6 - Geographic Distribution**

### **Rationale for the priorities for allocating investments geographically**

In general, investments are not allocated geographically.

**Discussion**

## Affordable Housing

### AP-55 Affordable Housing – 24 CFR 91.320(g)

**Introduction:**

One Year Goals for the Number of Households to be Supported	
Homeless	
Non-Homeless	
Special-Needs	
Total	

**Table 7 - One Year Goals for Affordable Housing by Support Requirement**

One Year Goals for the Number of Households Supported Through	
Rehab of Existing Units	0
Total	0

**Table 8 - One Year Goals for Affordable Housing by Support Type**

**Discussion:**

Homeless one-year goal includes persons in emergency shelters and those who received rapid-rehousing assistance. Non-homeless are those who were assisted with homeless prevention funds. Special needs goals include those who received HOPWA rental and/or short-term rental/mortgage/utility assistance.

One year goals in include:

- Rental assistance - HOME TBRA, HOPWA Rental Assistance, and ESG Rapid-Rehousing Assistance
- New Units - Homeownership and rental new construction units under HOME
- Rehab Units - HOME and CDBG homeowner rehab units and HOME rental rehab units.

Goals in both tables represent units completed during the year rather than those awarded funding in keeping with HUD's annual reporting requirements.

## **AP-60 Public Housing - 24 CFR 91.320(j)**

### **Introduction:**

Although public housing is primarily administered at the local and not the state level, there have been many efforts undertaken to encourage and assist the population served through public housing to obtain economic self-sufficiency.

The KHC Rental Assistance Department administers the Housing Choice Voucher Program in areas of the state that are not served by a local public housing authority (PHA). For many years, KHC has been at maximum capacity under its voucher program the waiting list remain closed for the most part. KHC does periodically open its waiting list for short periods of time. KHC aggressively pursues any new voucher funding opportunities.

There are approximately 106 public housing agencies in Kentucky that manage conventional public housing units. PHAs play an important role in filling the gap between the need and supply of affordable rental housing. These agencies provide housing for over 23,000 families statewide.

### **Actions planned during the next year to address the needs to public housing**

The Family Self-Sufficiency (FSS) Program, administered by KHC, provides supportive services to participants who possess a housing choice voucher when they sign a five-year contract of participation. The ultimate goal of this program is to help participants become self-sufficient by obtaining employment and becoming free of government assistance, including public housing. FSS participants receive employment skills training, budget and credit counseling, money management tips and homeownership education. KHC also establishes a savings account with monthly deposits based on the participant's increased earnings. FSS graduates are encouraged to use the escrow funds as a down payment on a home, but this is not mandatory. Currently, 186 families are participating in FSS and 99 of these participants have funds in escrow.

The *Yes You Can...Own A Home* Program, sponsored by KHC and local lenders, also targets people currently living in rental or public housing who would like to own their own home. Classes are offered to participants to teach the basics of becoming a homeowner. Classes discuss the mortgage loan process, finding the right house, budget and credit, loan closing, foreclosure prevention, basic home maintenance and more. This program will continue into the next fiscal year and will attempt to further reduce the number of Kentuckians dependent upon public housing assistance to survive.

### **Actions to encourage public housing residents to become more involved in management and participate in homeownership**

Voucher Programs to allow families housed by local housing authorities the knowledge and qualifications to access KHC's single-family loan programs. In addition, KHC has established a

homeownership voucher program that allows qualifying families to use their Housing Choice Voucher for homeownership.

**If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance**

In the event KHC and DLG are notified by HUD that a public housing agency in Kentucky is designated by HUD as “troubled,” KHC and DLG will determine if KHC and DLG can provide financial and/or technical assistance to the public housing agency.

**Discussion:**

## AP-65 Homeless and Other Special Needs Activities – 91.320(h)

### Introduction

The state has undertaken a multi-pronged approach to eliminating homelessness. Central to this approach is the creation of a state policy-advisory entity, the Kentucky Interagency Council on Homelessness (KICH). KICH is composed of representation from state government, nonprofit and advocacy agencies to collaborate and perform the following functions and duties:

- Serve as the single statewide homelessness planning and policy development resource for the Commonwealth of Kentucky.
- Review, recommend changes and update Kentucky's *Ten-Year Plan to End Homelessness*.
- Monitor and oversee implementation of Kentucky's *Ten-Year Plan to End Homelessness* to ensure that accountability and results are consistent with the plan.
- Serve as a state clearinghouse for information on services and housing options for the homeless.
- Conduct other activities as appropriate.

KHC participates in and offers to other agencies that serve the homeless across the state the opportunity to participate in the HUD's Continuum of Care (CoC) Program. Kentucky's CoC is a regional system for helping people who are homeless, or at risk of homelessness, by providing housing and services appropriate to the whole range of homeless needs in the community. Through the CoC program, agencies can serve homeless clients with supportive services, transitional housing, permanent supportive housing or rapid re-housing programs.

KHC's CoC programs are for families and individuals who, in addition to safe, decent and affordable housing, need access to supportive services in order to stay housed permanently. Supportive housing combines permanent, affordable housing with flexible support services to help the tenants stay housed and build the skills to live as independently as possible.

The six regions have each developed a plan that identifies dozens of specific strategic recommendations to address local priorities. The following key themes and objectives are apparent across regional boundaries:

- Increase access to safe and affordable housing units for homeless families, individuals and youth.
- Increase funding for and access to comprehensive supportive services that help assure housing stability and encourage self-sufficiency.
- Increase funding for prevention services to reduce the numbers of persons falling into homelessness.
- Increase scope and quality of data collection through the statewide Homeless Management Information System to document both evolving progress and continuing need.

Develop and carry out a coordinated statewide public education and outreach campaign that establishes the foundation for building public support.

**Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including**

**Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs**

Because Kentucky is a primarily rural state, developing a single outreach plan to cover the full CoC geographic area is a challenge. Many of the common places for rural, unsheltered homeless are remote and difficult to identify. Through the outreach efforts of the point-in-time count volunteers, the CoC has been able to identify local people in each county most likely to know of rural homeless locations (i.e., police officers, mail carriers, school bus drivers, etc.). Additionally, working with the ESG recipients, KHC encourages inclusion of street outreach as an eligible use for the state ESG allocation. Training on the eligible uses of ESG street outreach was made available across the state.

KHC will continue to work closely with KICH, Continuum of Care agencies and other state agencies to increase coordination of efforts to maximize limited resources focused on homeless and special needs populations in the following areas:

- Supportive services including medical and mental health services
- Adequate discharge planning
- Homeless prevention funding
- Utilities assistance funding
- Connecting those in need of services to those who offer services.

**Addressing the emergency shelter and transitional housing needs of homeless persons**

While the ESG funding application places a priority on Rapid Rehousing (RRH) programs serving both individuals and families with children, KHC is still allowing a large portion of the allocation to be requested and used in the Emergency Shelter Component. The ability for emergency and transitional shelters to work closely with local RRH programs provides a good partnership. Many shelter programs also operate a RRH program within their agency, therefore providing an avenue for clients to move from homelessness to permanent housing while still receiving a continuum of services.

These activities include:

- Provision of essential services to homeless individuals and families. This includes services concerned with employment, health, drug abuse, education, transportation and staff salaries

necessary to provide these services.

- Provision of rental assistance for homeless individuals and families.
- Working closely with the Cabinet for Health and Family Services to ensure persons in need of services have access to them.

**Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again**

By prioritizing ESG funds for use with RRH programs and by working with the CoC to identify agencies to apply for CoC RRH projects, resources are becoming better aligned with the need to reduce the time individuals and families remain homeless as well as giving them access to sustainable, permanent housing options. Kentucky has a variety of services and housing that assist homeless veterans. Through the Kentucky Interagency Council on Homelessness, it has been successful in identifying resources and gaps in veterans assistance. In addition, service providers are being linked with organizations serving veterans, both private (local SSVF programs) and public (VA Service Centers). With five VASH programs and three SSVF programs operating in Kentucky, the services to veterans have never been more accessible as they are now. Additionally, both the Balance of State CoC and the ESG applications provide scoring incentives for agencies targeting veterans as well as chronically homeless individuals or homeless families with children.

Activities planned for the coming year to address housing needs of homeless individuals and families and to prevent low-income individuals and families from becoming homeless include the activities listed below.

- Acquisition, construction, renovation, major rehabilitation or conversion of structures for use as transitional and permanent supportive housing for homeless persons.
- Payment of maintenance, operation, rent, repair, security, equipment, insurance, utilities and furnishings of transitional and permanent housing.

KHC is also partnering with HUD to take steps to end veteran homelessness in Kentucky in 2015. KHC has dedicated housing assistance for 100 homeless Kentucky veterans to be available through the new Veterans Emerging Towards Transition (VETT) Program. Through the VETT program, KHC will designate a preference for 100 Housing Choice Vouchers (HCV) for qualified homeless veterans in the 87 counties KHC serves under the HCV program. This special assistance will help qualified veterans pay for housing and ultimately reduce the number of homeless veterans in Kentucky. Through KHC, local service providers will coordinate the completion of certification checklists to be used as referral tools to qualify homeless veterans for the housing assistance.

**Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs**

Under the Emergency Solutions Grant program, the state continues to allow funds to be allocated to Homelessness Prevention. These funds are usually in high demand from agencies.

The CoC collaborates with the Cabinet for Health and Family Services (CHFS), which implements discharge planning for youth who age out of foster care. Independent living coordinators and Cabinet social workers develop a transition plan help to identify appropriate, sustainable housing options prior to discharge from foster care, giving them access to stable housing through age 21. A partnership between KHC and CHFS provides up to six months of initial rental assistance plus an additional six months if needed, through the Chafee Room & Board program. Recent HMIS data show that less than one percent of persons in emergency shelter had come from foster care placement. This program is expected to assist approximately 175 persons this year.

Discharge planning efforts from health-care facilities in Kentucky takes place according to the health-care venue and/or program. Kentucky participates in Medicaid and Medicare programs and is required to adhere to all applicable standards of care, including discharge. The Center for Medicaid and Medicare Services (CMS) Condition of Participation that hospitals must have in effect a discharge planning process that applies to all patients. The evaluation process includes determining an appropriate discharge site. A very small percentage of persons exiting health-care facilities are discharged to homeless programs. Recent HMIS data showed that less than two percent reported hospitals or nursing homes as their prior living situation.

The State has established a policy to prevent individuals with serious mental illness from being discharged into homelessness. Instead, the policy requires discharge from inpatient psychiatric hospital settings and other facilities to permanent community-based housing. Facility staff collaborate with family members, guardians, service providers and others to ensure that discharge planning begins upon admission, that the individual's preferences are honored through person-centered planning and that every effort be made for community integration in housing and services. The vast majority of persons discharged from state psychiatric hospitals return to their own home. KHC partners with the state on two programs specifically targeting this population. KHC's Olmstead housing initiative is expected to assist nearly 100 persons this year through a combination of rental assistance vouchers, permanent supportive housing rental units, and the HUD Section 811 Program.

The Department of Corrections discharge policy and procedures ensure every effort to secure safe housing for offenders prior to release. The first option is to determine if the individual can return to

his/her home then to consider housing options with family or friends. Many offenders recognize that returning home may not allow them to be successful, and they choose to secure a home placement in a transitional living program. The transitional housing has specific requirements and seeks to assist the offender in his/her reentry process. Offenders typically return to home placements with family or friends. The Department of Corrections works directly with contracted halfway houses and transitional housing placements when a family member or friend is not available to support the offenders' transition into the community. The Recovery Kentucky program assists persons with addictions. The centers are funded by DLG, KHC, the Department of Corrections, and other funds, and are expected to assist more than 1,000 persons this year. CDBG services funding and KHC rental assistance funding support more than 10 centers across the state.

### **Discussion**

KHC will continue to provide technical assistance and training to HIV/AIDS housing and service providers to increase capacity. Also, HOPWA grantees are encouraged to participate in the COC system where they may be more successful in partnering services and housing with other providers who may serve the same or similar populations.

**AP-70 HOPWA Goals – 91.320(k)(4)**

<b>One year goals for the number of households to be provided housing through the use of HOPWA for:</b>	
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	189
Tenant-based rental assistance	31
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	0
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	0
<b>Total</b>	<b>220</b>

## **AP-75 Barriers to affordable housing – 91.320(i)**

### **Introduction:**

Many of the barriers to affordable housing 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.

### **Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment**

On the state level, there are numerous examples of state agencies working in cooperation to reduce barriers to affordable housing:

- The Kentucky Infrastructure Authority has enacted a Water and Waste-Water Plan.
- The Recovery Kentucky program is an example of state agencies working together to remove barriers that unintentionally arise because of compartmentalization.
- The Governor’s Re-Entry Task Force has identified criminal backgrounds, especially sex offenses, as significant barriers to affordable housing and has solicited input from the Kentucky Interagency Council on Homelessness (KICH) and other stakeholders to develop a legislative agenda to address these barriers.
- The Kentucky Interagency Council on Homelessness (KICH) maintains four subcommittees that are also exploring regulatory barriers specifically affecting the homeless population. KICH identified lack of fair housing policies and limited or lack of affordable housing policies at the local government level as barriers. The need for additional access to permanent housing options is a pressing need.

### **Discussion:**

## **AP-85 Other Actions – 91.320(j)**

### **Introduction:**

#### **Actions planned to address obstacles to meeting underserved needs**

KHC plans to address the following obstacles to meeting the housing needs of underserved populations:

Data indicate that there is only one affordable rental housing unit available for every three low-income households needing affordable housing. Units of existing rental housing are being lost due to expiring contracts and affordability periods. During this fiscal year, KHC is undertaking a plan to preserve existing housing including offering financing programs to update and preserve these properties and extend affordability periods, ensuring the housing remains available to low-income households.

In addition, there are currently 2,300 persons with severe mental illness living in personal care homes, of which the state has prioritized 600 who are capable of living in a community-based setting with supportive services. Obstacles that KHC, in partnership with the state Cabinet for Health and Family Services, are addressing include production of permanent supportive housing units, monthly rental assistance payments, housing relocation assistance, and community-based supportive services. KHC's Olmstead initiative has transitioned over 90 individuals to community-based housing. KHC has also applied for HUD Section 811 Project-Based housing vouchers to serve this population.

The state's long-term care facilities and nursing homes are also filled with hundreds of persons who wish to live independently in their communities. This population's obstacles to obtaining community-based housing include the need for financial assistance to transition out of facilities, relocation assistance (both logistical and financial), housing location services, and monthly rental assistance. Kentucky Transitions is a program administered by the state Cabinet for Health and Family Services tasked with transitioning Medicaid-eligible persons from state-run settings to independent living. KHC employs transition coordinators under an agreement with the state who assist person with locating and moving to existing affordable housing in their community of choice.

Youth aging out of foster care have a high risk of becoming homeless and need assistance transitioning from foster care to independent living. Obstacles facing this population include the lack of income to pay the costs associated with establishing an independent household, and short-term case management. Chafee Room and Board is administered by KHC with funding from the state Cabinet for Health and Family Services. The program provides household setup funds and short term rental assistance to assist this population in transitioning from foster care to independence.

#### **Actions planned to foster and maintain affordable housing**

Kentucky's block grant funds will be distributed throughout the state on a competitive basis for eligible

activities through several methods described in the program guidelines for each program for the purposes of preserving existing affordable housing as well as fostering new affordable housing opportunities. Units of local government, nonprofit and for-profit entities will be able to apply for funding to carry out eligible activities. This distribution system allows eligible agencies to apply for funding for activities that will address the priority needs for their community. In addition, funds awarded to local communities will also address the housing needs outlined in the state's Consolidated Plan.

The Consolidated Plan addresses a variety of needs for affordable housing and community development that were derived from input at local levels across the state and utilizing housing data. The plan represents a wide array of needs. While one particular community may need rental housing production at a specific site, another community may need homeowner rehabilitation over a scattered site. For the state to address its community needs, the block grant programs need a level of flexibility for eligible activities to be undertaken. The state will support any application for funding under both federal and private sources that will assist the state in meeting any category of need for affordable housing and community development. The Housing Policy Advisory Committee consists of 10 ex officio state government members, 17 at-large members appointed by the chairman of the Board of Directors of KHC, a member of the Senate and a member of the House of Representatives. The advisory committee submits an annual report of activities and recommendations to the governor. The Housing Policy Advisory Committee includes numerous subcommittees, including a data subcommittee. This subcommittee reviews needs data annually and makes recommendations to KHC on priorities, which are considered when drafting each annual action plan.

### **Actions planned to reduce lead-based paint hazards**

Both KHC and DLG have a commitment to ensure that recipients of HOME, CDBG, NSP, ESG and HOPWA funds administer programs that adequately limit the risks associated with lead-based paint. Program administrators assist in statewide and local efforts to detect and abate lead-based paint as appropriate. Recipients of funding through these block grant programs are required to comply with all federal, state and local lead-based paint regulations. KHC and DLG staff members take several steps to fulfill their responsibility regarding lead-based paint hazards. Applicants for HOME, ESG and HOPWA funds are made aware of the requirements of the lead-based paint regulations as they apply for funds. If funded, applicants receive additional formal training and individual technical assistance provided by staff. This technical assistance is available through the life of the project. Inquiries regarding lead-based paint hazards, evaluation and screening are often referred to the Environmental Lead Program administrator at the Kentucky Department of Public Health. To assist with the cost of lead-based paint removal activities, KHC allows HOME funds to be used in the form of a grant for homeowners receiving assistance for homeowner rehabilitation activities. KHC adopted an environmental assessment policy several years ago. During the next fiscal year, KHC anticipates a review of the current policy to determine whether it requires revision. The current policy requires a Phase I environmental assessment

for many projects. Dependent upon the findings of a Phase I review, a Phase II review may be required. KHC staff members perform visual inspections to identify possible lead-based paint hazards for projects wishing to use block grant funds. Several inspections of projects involving rehabilitation are performed during the construction process. In addition, Housing Quality Standards (HQS) inspections are performed at rental properties throughout the state.

DLG has adopted a policy on lead hazard reduction in keeping with federal regulations. For projects involving a home constructed prior to 1978, grantees are notified of the hazards of lead-based paint. In addition, if housing built prior to 1978 is being rehabilitated, the housing must be inspected for defective paint. If surfaces are found to be defective, they must be treated in the course of rehabilitation.

Full abatement of lead-burdened housing is a worthwhile goal. However, it is costly and caution must be taken to ensure that the work is performed in a safe manner by certified workers. Additional information about lead-based paint abatement is available through the Department of Public Health, the federal Environmental Protection Agency, KHC and DLG.

### **Actions planned to reduce the number of poverty-level families**

KHC and DLG have been providing affordable housing and economic development opportunities in an effort to decrease the number of poverty-level families living in unsafe and unaffordable housing. KHC's programs range from homeless assistance and Section 8 rental assistance to homeownership and housing financing programs. DLG housing programs are typically, but not limited to, single-family housing rehabilitation. DLG offers many non-housing programs that focus on community and economic development to combat poverty.

Long-term anti-poverty CDBG objectives include:

- Encouraging private investment that will result in the creation of new jobs for the unemployed and underemployed.
- Discouraging the out-migration of businesses that employ and serve the local population.
- Fostering a revitalization of community structure to help communities help themselves.
- Enabling local communities to plan for future community development needs.

Housing – whether rental or ownership – is viewed as one of the major components in assisting individuals and families in overcoming the struggles of poverty. It takes a combination of many activities, such as job training and education, health and child care assistance as well as a place to call home to effectively assist families on the continuum towards self-sufficiency. A variety of affordable housing programs across the state not only provide direct financial assistance with housing costs, but combine housing assistance with social programs, such as life skills training, job training, post-secondary education, and homeownership counseling.

To meet the goal of raising the standard of living for all low-income individuals and families, the state is committed to assisting individuals in achieving employment; continuing adult education and postsecondary education; childhood development intervention; adequate and affordable child care for working families; increased access to health insurance coverage and the provision of affordable housing opportunities.

KHC will continue to fund the Scholar House program, designed to assist single parents in obtaining higher education. These programs have been established at several universities across the state, and provide housing and childcare for single parents enrolled in college. After graduation, the family may obtain housing using a rental voucher.

DLG will continue to fund traditional economic development activities that create or retain jobs principally benefiting low- and moderate-income persons. Nontraditional economic development projects are those which provide funding of activities including, but not limited to, job training and placement of other support services including peer support counseling, child care and transportation. Microenterprise development is designated to provide funds to local communities and community-based organizations for the purpose of providing assistance and technical services to low- to moderate-income persons who either currently own a small business or are interested in starting one.

KHC will continue to participate in the newly-formed SOAR initiative, focused on assisting the Appalachian area of the state, where the highest levels of poverty have remained for decades.

### **Actions planned to develop institutional structure**

KHC and DLG will continue to partner with a diverse number of entities from private industry, non-profit organizations and public institutions in carrying out activities under the Consolidated Plan. DLG works directly with eligible units of local government in distributing CDBG funds. KHC is responsible for the administration of the HOME, ESG and HOPWA Programs. Eligible applicants include, but are not limited to, units of local government, Community Housing Development Organizations (CHDOs), nonprofit housing organizations and for-profit developers. Direct technical assistance from program staff for the HOME, ESG and HOPWA Programs is provided on a statewide basis to all eligible applicants. After funding is awarded, implementation and administration training is available to all recipients. In addition to administering the federal block grant programs, KHC and DLG administer other programs that partner with units of local government, CHDOs, nonprofit housing organizations and for-profit developers.

Both KHC and DLG depend on the active participation of partners to accomplish the overall goals of these programs of providing affordable housing opportunities to lower-income families and individuals across Kentucky:

- KHC administers Housing Choice Voucher Program funds in counties where there is no local housing authority.
- KHC works directly with HUD in the administration of the Risk-Sharing Program in order to

increase the number of safe, decent and affordable rental units throughout the state. When funding is available, KHC processes and underwrites the loan applications and, in the event of default, the mortgage insurance risk is shared between KHC and HUD.

- The Governor’s Local Issues Conference is held annually and is attended by local officials from cities and counties throughout the Commonwealth.
- The annual Kentucky Affordable Housing Conference will be attended by representatives of various housing and related service organizations.
- KHC and DLG work with the Recovery Kentucky Task Force that advocates for substance abuse recovery services through long –term supportive housing, recovery programs aimed at addressing homelessness and recovery from addiction within the commonwealth.
- KHC coordinates the state’s Housing Policy Advisory Committee and Kentucky Interagency Council on Homelessness
- KHC works with nonprofit organizations across the state through the various programs offered at KHC.
- Many private housing developers utilize the Housing Credit Program as well as other federal and state housing programs for the development of affordable rental housing across the state. Likewise, KHC continues to maintain relationships with several private developers who utilize HOME funds to provide homeownership opportunities for low-income Kentuckians.
- KHC works with over 250 private lending institutions in the origination and processing of KHC mortgages. The statewide lender network enables lower income families the opportunities to access KHC’s loan products.

### **Actions planned to enhance coordination between public and private housing and social service agencies**

The Kentucky Interagency Council on Homelessness (KICH) is composed of representation from state government, nonprofit and advocacy agencies to collaborate and perform the following functions and duties: KICH Executive Committee consists of the CEO of Kentucky Housing Corporation, Secretary of Health and Family Services Cabinet, Secretary of Justice and Public Safety Cabinet, Secretary of Education Cabinet, Secretary of Transportation Cabinet, Executive Director of Administrative Office of the Courts, State Budget Director, Commissioner of Veterans Affairs, Executive Director of the Homeless and Housing Coalition of Kentucky and one member from each house of the Kentucky General Assembly appointed by the Governor.

The KICH Steering Committee consists of representatives of the Executive Committee, state government agencies, homeless advocates and service providers. The KICH Steering Committee has five policy subcommittees that mirror the “core concerns” identified in the Ten-Year Plan to End Homeless. The policy subcommittees are: supportive housing, services/prevention, public will, and data.

The Kentucky Commission on Community Volunteerism and Service is a statewide, bi-partisan group comprised of at least 15 members, appointed by the governor, with diverse service and volunteerism backgrounds. The KCCVS actively engages citizens in community service opportunities that enable volunteers, organizations and businesses to share ideas and effectively collaborate to address Kentucky's needs. The KCCVS funding is provided by the Corporation for National and Community Service and the Kentucky General Assembly. The Governor's Reentry Task Force – Statewide Reentry Steering Team was established to develop policy recommendations regarding the reduction of recidivism, enhancement of public safety and the furtherance of reentry efforts. The mission of Kentucky's Reentry initiative is to integrate successful offender reentry principles and practices in the Commonwealth of Kentucky state agencies and communities resulting in partnerships that improve public safety, enhance offender self-sufficiency, and reduce recidivism. The Kentucky Statewide Reentry Steering Team is developed to create a multidisciplinary work team to develop recommendations and provide information to the Governor's Reentry Task Force.

KHC and the state's Department of Mental Health/Mental Retardation coordinates funding focused on the needs of that portion of the Olmstead population with severe and persistent mental illness. These funds are used to move individuals from psychiatric hospitals and nursing facilities to apartments in the communities of their choice and also for the construction of permanent supportive housing as funds become available.

The Recovery Kentucky Task Force provides oversight and direction for a network of 100-bed Recovery Kentucky Centers - drug and alcohol-free housing for persons who are homeless or at risk for homelessness due to their continued dependence on alcohol and drugs. These housing centers provide a safe and secure environment for men and women to begin a process of "self-help" and "peer-led" education that leads to long term sobriety. The Recovery Kentucky program model is designed to help the recovering alcoholic/addict regain a life of sobriety and to begin a journey toward permanent housing and self-sufficiency.

The FSS Provider Coordinating Committee (PCC) is established to assist KHC with planning and implementing the FSS Program. Members are representatives from state, local and private groups who have resources to assist low-income families and have a commitment to family self-sufficiency.

**Discussion:**

## Program Specific Requirements

### AP-90 Program Specific Requirements – 91.320(k)(1,2,3)

**Introduction:**

#### Community Development Block Grant Program (CDBG) Reference 24 CFR 91.320(k)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
<b>Total Program Income:</b>	<b>0</b>

#### Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	70.00%

#### HOME Investment Partnership Program (HOME) Reference 24 CFR 91.320(k)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

KHC will invest HOME funds as interest-bearing loans or advances, non-interest bearing loans or advances, interest subsidies, deferred payment loans, forgivable loans, and grants. Assistance may be provided to private developers, nonprofit organizations, CHDOs, and governmental agencies.

An applicant that proposes to use any other form of investment not described in 25 CFR 92.205 must provide the following when submitting an application:

- A description of the form of investment;
- Justification for the need for the form of investment; and
- A description of the proposed means of securing the investment, if any.

KHC will not permit other forms of investment without prior HUD approval.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

See the HOME Recapture Provisions attached to this Action Plan.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

All HOME funds used for homeownership activities will be required, at a minimum, to meet the HOME affordability period as established in 24 CFR Part 92.254. Additional guidance on maximum subsidy cap and affordability periods will be detailed in the Homeownership Application Guidelines and Scoring Criteria. Additional information is included in the HOME Recapture Provisions attached to this Action Plan.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

KHC will not allow HOME funds to be used in the refinancing of existing debt secured by multifamily housing.

### **Emergency Solutions Grant (ESG) Reference 91.320(k)(3)**

1. Include written standards for providing ESG assistance (may include as attachment)

ESG Written Standards are attached to this plan.

2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

The Kentucky Balance of State CoC is in the initial phases of establishing the Centralized or Coordinated Assessment System. A committee is in place comprised of representatives from each of the CoC regions as well as staff from KHC, ESG recipients, and HMIS staff. The committee is investigating a three-phase approach that will begin with the roll-out of a 211-type hotline accessible toll-free to the full state. This number will be listed on the CoC Web page and other sites that clients in need of homeless services frequent. The second phase includes a provision under which the HMIS vendor has developed a vulnerability assessment that will aid in prioritizing clients based on their level of need and current physical condition. The third phase includes an eligibility assessment from the HMIS vendor that allows prioritized clients to be quickly linked to the most appropriate housing/services program in their area. Forms for each assessment will be available for completion manually by non-HMIS agencies across the state.

3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

KHC will make ESG funds available to eligible non-profits (including community and faith-based organizations) and local governments from the 118 counties in Kentucky that do not receive ESG allocations from HUD as entitlement areas. Funds will be awarded using a competitive application process where applicants will be evaluated on such areas as: local needs, applicant experience/capacity, project design, community coordination, and other factors. Applicant capacity and project design will be most heavily weighted in the scoring criteria.

Applications will be ranked based on score and allocations will be made based on applicant ranking and overall request. Because funding priorities have been established for rapid re-housing, KHC reserves the right to fund portions of an applicant's request.

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

KHC is able to meet this requirement, as KHC's subrecipients are required to include at least one homeless or formerly homeless individual on their Board of Directors, or as a participant on an advisory board that reports directly to the subrecipient agency's Board of Directors.

5. Describe performance standards for evaluating ESG.

KHC has implemented ESG Performance Standards for all subrecipient agencies. These performance measures are attached to this Plan.

