

# Housing Market Analysis

## MA-05 Overview

### Housing Market Analysis Overview:

In 2012, staff at KHC prepared a comprehensive report on the state of housing in Kentucky utilizing 2010 Census data as well as locally available data. While some of the findings have changed during the past several months – specifically a decrease in the foreclosure and unemployment rates – many of the findings remain constant:

- Kentucky’s housing market consists primarily of owner-occupied units (73 percent owner vs. 27 percent rental).
- The average household size has not changed significantly over the past several years, but household composition has changed.
- Non-family households (unrelated persons) and female householders with no husband present have increased, while family households with children under age 18 have decreased.
- Grandparents living in the same household as grandchildren have increased.
- Renter-occupied households have increased and owner-occupied households have decreased.
- Overall, housing units in Kentucky are aging with the median age of housing units at 34 years compared with 27 years in 2000.
- Southeastern and western Kentucky have the highest concentration of pre-1989 housing units.
- Eastern Kentucky continues to have a high concentration of manufactured housing as well as housing using non-energy efficient sources of heat.
- Older non-energy efficient manufactured housing contributes to housing cost burden.
- Affordable rental units are in short supply as compared to the number of low-income and extremely low-income households who need them.
- Approximately 20 percent of affordable rental units fail a Housing Quality Inspection (HQS) with the highest rate of failure in eastern Kentucky.
- Utility costs continue to rise.
- The payment standard for tenant-based rental assistance is higher in many cases than the fair market rent established by HUD, decreasing the number of households that can be served by that program.
- In some counties in Kentucky, nearly three out of four renter households are cost burdened.
- Over the next five years, the state is at-risk of losing nearly 50,000 units of subsidized and affordable rental housing as affordability periods expire.
- Limited statewide data on substandard housing makes it difficult to assess how many homes are in need of repair or replacement; however, the housing stock overall is aging, meaning that newer housing is not replacing older housing. Older housing in general is not as energy-efficient,

may contain lead-based paint, and may have deferred maintenance issues, especially when occupied by the lowest income households.

In April 2020, HUD issued waivers that eliminated the requirement for grantees to update the Market Analysis portion of the Consolidated Plan. Per the CDBG waiver guidance, “To expedite grantees' use of CDBG-CV funds, HUD is waiving the requirements at 42 U.S.C. 12705(a)(2) to the extent it requires updates to the housing and homeless needs assessment, housing market analysis, and strategic plan and 24 CFR 91.220 and 91.320 to the extent the action plan is limited to a specific program year to permit grantees to prepare substantial amendments to their most recent annual action plan, including their 2019 annual action plan.” Additionally, HOME TBRA allowed for the same concession: “This suspension will eliminate: 1) the requirement for PJs to amend their Consolidated Plans to include or revise an analysis of local market conditions before implementing a TBRA program”.

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

### Introduction

The majority of residential properties in Kentucky are single-unit detached structures. Manufactured homes are included in the category of mobile homes, boat, RV, van, etc. in the data provided. According to data from the Kentucky Manufactured Housing Institute, there are more than 560,000 manufactured homes in Kentucky. The table below may include manufactured homes in the category of 1-unit detached structure if the manufactured housing has been converted to real property. High concentrations of manufactured housing exist in many of the Appalachian counties in eastern Kentucky. Manufactured housing and mobile homes constitute between 25 and 45 percent of all housing units in some of these counties. A continuing concern is the number of older manufactured homes that are in poor condition and are not energy efficient.

Rental units statewide tend to have fewer bedrooms than owner-occupied housing. Nearly 80 percent of owner housing features at least 3 bedrooms.

### All residential properties by number of units

Property Type	Number	%
1-unit detached structure	1,294,884	67%
1-unit, attached structure	44,233	2%
2-4 units	134,101	7%
5-19 units	150,165	8%
20 or more units	57,567	3%
Mobile Home, boat, RV, van, etc	240,117	12%
<b>Total</b>	<b>1,921,067</b>	<b>100%</b>

Table 1– Residential Properties by Unit Number

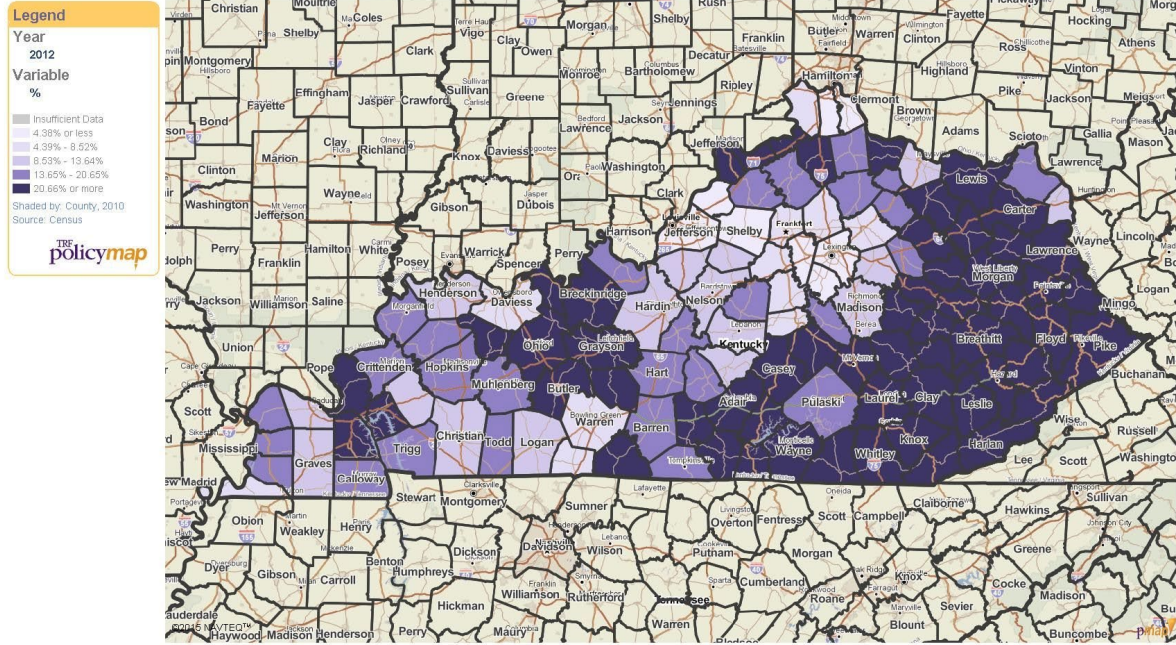
Data Source: 2007-2011 ACS



**Estimated percent of households that live in mobile homes between 2008-2012.**

**Estimated percent of households that live in mobile homes between 2008-2012.**

Estimated percent of housing units that are mobile homes between 2008-2012. Percentage calculations were suppressed in cases where the denominator of the calculation was less than 10 of the unit that is being described (eg. households, people, householders, etc). Such areas are represented as having "Insufficient Data" in the map. Denominators for percentage calculations were created by summing all of the component data items in a particular dataset. These data are mapped to the 2010 Census boundaries.



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**Manufactured Housing Concentration**

**Unit Size by Tenure**

	Owners		Renters	
	Number	%	Number	%
No bedroom	2,073	0%	14,482	3%
1 bedroom	19,540	2%	110,624	22%
2 bedrooms	221,337	19%	212,817	42%
3 or more bedrooms	925,273	79%	174,939	34%
<b>Total</b>	<b>1,168,223</b>	<b>100%</b>	<b>512,862</b>	<b>101%</b>

**Table 2– Unit Size by Tenure**

Data Source: 2007-2011 ACS

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

Because KHC and DLG serve the needs of Kentucky as a whole (with the exception of local entitlement jurisdictions), specific income levels and types of families served are not targeted in general. Agencies

and local governments who apply for funding from KHC and DLG design programs based on local need. Some programs provide additional scoring points for serving certain populations or income levels.

There are more than 112,000 subsidized rental units in Kentucky that receive assistance directly from the federal government and have received assistance from KHC, Rural Development, and/or other funding sources. Of this number, approximately 77,000 are located in the state's jurisdiction (with the remaining located in Louisville and Lexington participating jurisdictions).

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

- 34,000 tenant-based rental vouchers
- 25,000 project-based rental units (HUD and KHC)
- 24,000 public housing units
- 4,300 HUD 202 elderly units
- 3,500 HUD 236 BMIR units
- 6,000 HOME units
- 350 HUD Section 811 units for the disabled
- 22,000 Housing Tax Credit units
- 12,000 USDA Rural Development units
- 1,500 TARP and ARRA-funded units
- 2,500 state Affordable Housing Trust Fund units
- 4,000 units with other federal and state subsidies

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

Almost 50,000 affordable rental units in Kentucky are at risk of being lost by the year 2020 due to the expiration of long-term subsidies and use restrictions. Aging properties are in need of repair and renovation and increases in operating costs are outpacing rents. Of the 49,380 units identified as at-risk, half are at risk due to expiration of project-based Section 8 contracts. Low-income housing tax credit, HOME, and other similarly financed properties comprise 13,530 at-risk units. USDA Rural Development's portfolio of at-risk units in Kentucky numbers 11,440 housing units.

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

- Chronic high vacancy
- Poor physical condition
- Risk of losing rent subsidy
- Expiring subsidy
- Exiting owners/partners

- Rents cannot support operations and debt service

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

The typical preservation project in Kentucky:

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

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

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

Vouchers to assist households with rental costs are in very short supply. KHC, as the public housing agency for 87 of Kentucky's 120 counties, administers more than 5,500 Housing Choice Vouchers. The waiting list contains nearly 10,000 applications, with an expected wait time of two to four years depending on the area of the state in which the applicant wishes to reside. Other PHAs around the state are in similar circumstances.

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

### **Describe the need for specific types of housing:**

Rental housing affordable to households at or below 30 percent of area median income are in very short supply. For every three households in this income category in need of housing, there is only one unit available. For those whose incomes are between 30 and 50 percent of area median income, there are only three units available for every four families in need. In eastern Kentucky, persons prefer to be homeowners rather than renters. The challenges in this region of the state include providing homes for

persons with the lowest of incomes (or no income); rehabilitating aging housing (while the vast majority of substandard housing features complete kitchen and bathroom facilities, it is not energy efficient, and may have other structural issues that make the home unsafe or unhealthy for its residents. High concentrations of older manufactured housing are also present in this area of the state.

Persons with serious mental illness who are capable of living independently are currently concentrated in group homes and in-patient facilities. KHC has worked with the state's Cabinet for Health and Family Services to transition this population (the Olmstead population) into permanent housing with the availability of supportive services. There is a current need for at least 600 units of housing to serve the Olmstead population. KHC and the Cabinet currently partner on two programs - one providing rental assistance vouchers and the other providing construction funding for new units. In addition, KHC has been notified of its successful application under the Section 811 Project-Based Voucher program, under which KHC will receive funding for 150 rental units. Leveraged units under this program are expected to equal those being produced, providing at least 300 new units for this population in the next several years.

KHC and DLG provided the opportunity for partners, local governments, and citizens to provide information on the need for specific types of housing. Details of the survey responses are attached to this plan.

## **Discussion**

## MA-15 Cost of Housing – 91.310(a)

### Introduction

Data indicate that median home values in Kentucky rose 49 percent in the past 11 years while median rents rose 31 percent. During this same time period, the national housing market as well as Kentucky’s housing market has experienced much turmoil. The economic downturn beginning in late 2008 resulted in high levels of unemployment, which translated into high mortgage delinquencies and foreclosures. Poverty rates also rose during this time period. Beginning in 2013 and 2014, foreclosure rates began to level off. However, many of these homes have not yet returned to the market. Their return may affect overall housing values for some time to come. In addition, there continues to be a shortage of housing affordable to persons at the lowest income levels. As discussed in the Needs Assessment, rents and home values have risen at a much higher rate than incomes, increasing the affordability gap.

Energy costs also have a direct impact on the cost of housing. The combination of rising energy costs and aging, less energy-efficient housing have a direct impact on total housing costs. The result is that households in the lowest income brackets continue to pay a large portion of their income toward housing costs, as is seen in the data presented in the Needs Assessment and anecdotal evidence provided by agencies who serve these families.

### Cost of Housing

	Base Year: 2000	Most Recent Year: 2011	% Change
Median Home Value	79,600	118,700	49%
Median Contract Rent	366	478	31%

**Table 3 – Cost of Housing**

Data Source: 2000 Census (Base Year), 2007-2011 ACS (Most Recent Year)

Rent Paid	Number	%
Less than \$500	300,634	58.6%
\$500-999	191,678	37.4%
\$1,000-1,499	15,333	3.0%
\$1,500-1,999	2,843	0.6%
\$2,000 or more	2,374	0.5%
<b>Total</b>	<b>512,862</b>	<b>100.0%</b>

**Table 4 - Rent Paid**

Data Source: 2007-2011 ACS

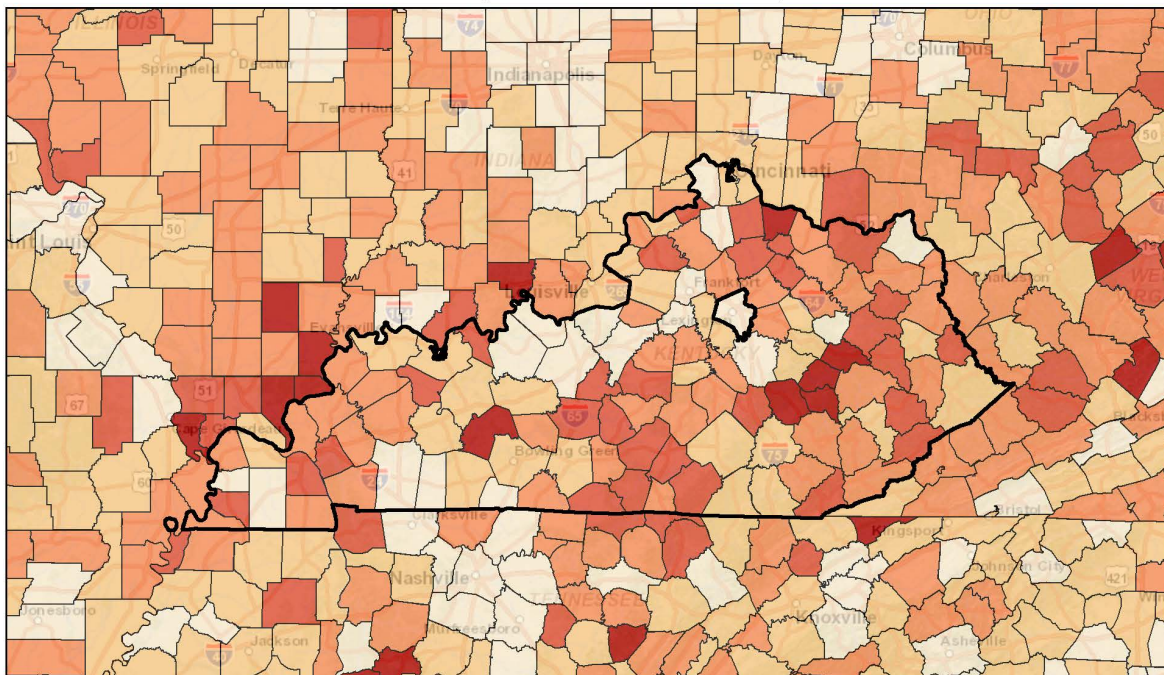
## Housing Affordability

% Units affordable to Households earning	Renter	Owner
30% HAMFI	56,025	No Data
50% HAMFI	188,465	122,665
80% HAMFI	372,005	319,090
100% HAMFI	No Data	449,590
<b>Total</b>	<b>616,495</b>	<b>891,345</b>

**Table 5 – Housing Affordability**

Data Source: 2007-2011 CHAS

**Affordable Rental Units - Percentage Affordable to Extremely Low Income Households**



October 8, 2014



1:4,192,465  
0 35 70 140 mi  
0 55 110 220 km  
Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri Japan, METI, Esri China (Hong Kong), Esri (Thailand), TomTom, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community

## Rental Units Affordable to ELI HH

### Monthly Rent

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

**Table 6 – Monthly Rent**

Data Source: HUD FMR and HOME Rents

## **Fair Market Rent Data**

Source: National Low Income Housing Coalition Out Of Reach 2014. Note that HOME rents are established in smaller geographies than statewide, therefore, this data is not applicable.

## **Is there sufficient housing for households at all income levels?**

The table below includes data on housing availability at each income level:

Data indicate that more than 200,000 renters are paying greater than 30 percent of income for housing costs. In the higher income categories above, it is evident that housing is more available, but may not be affordable. The lowest income levels tend to be renters rather than homeowners. Households at the lowest income level have the greatest problem locating housing that is affordable and does not create a cost burden. For every 100 extremely low income households, there are only 35 affordable housing units and for every 100 very low income households, there are only 76 affordable housing units available. The largest gap in availability of affordable housing is at the lowest income levels.

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

Affordability trends have not seen much change in decades - there will continue to be a gap between available affordable housing units at all lower-income levels. Exacerbating the gap between incomes and rents/homeowner housing costs, is Kentucky's very high poverty rate. The state's poverty rate continues to be higher than the national average, with some Appalachian counties at two or three times the national poverty rate. Affordable rental housing continues to be difficult for lower-income families to obtain. When housing - both rental and owner - that is affordable to families in lower income brackets, the housing may be in poor condition. Energy costs, due to aging and substandard condition, are often times higher than the rent or mortgage payment. Evidence suggests that households in older manufactured homes and in substandard traditionally constructed homes pay exorbitant amounts for heating the home in the winter months.

In addition, the challenge of producing and maintaining affordable rental housing poses difficulty for developers and agencies who own and manage these properties. Rents are very low, creating cash flow issues as well as issues funding reserves. Nearly 50,000 affordable rental units statewide are at risk of loss over the next five years, decreasing the already slim supply.

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

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

## **Discussion**

## **MA-20 Condition of Housing – 91.310(a)**

### **Introduction:**

The median age of housing in Kentucky has increased over the past 10 to 15 years, indicating that newer housing has not replaced older housing at a very high rate. Newer housing requires less maintenance and is generally more energy efficient. Increasing energy costs contribute to housing cost burden.

Data indicate that the major housing condition facing homeowners and renters is housing cost burden. Renters face more housing condition problems than owners. Forty-one percent of renters experience at least one housing condition as compared to owners at twenty-one percent. The housing condition is most likely to be housing cost burden.

Many housing units may be substandard for reasons other than that they lack complete plumbing or kitchen facilities. Limited census data does not allow for statewide analysis of housing units that may not be included in the substandard category. Agencies who assist families throughout the state report that housing units that have complete bathrooms and kitchens, may not be energy efficient or may have leaking roofs, bad foundations, older furnaces and other mechanicals that aren't energy efficient, among other problems. Families who are issued a rare rental voucher have difficulty locating rental units that pass Housing Quality Standards inspections.

Newer housing units (built since 2000) are more likely to be owner units, and older housing units (built pre-1950) are more likely to be renter units. With older housing, the risk of lead-based paint poisoning in children increases. Housing units built before 1980 are most likely to contain lead-based paint.

### **Definitions**

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

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

Housing conditions represented in the following table include:

- Lacks complete plumbing facilities
- Lacks complete kitchen facilities
- Overcrowded - with 1.01 - 1.5 people per room
- Housing Cost Burden - paying greater than 30 percent of income for housing costs

## Condition of Units

Condition of Units	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
With one selected Condition	246,571	21%	208,414	41%
With two selected Conditions	6,711	1%	11,071	2%
With three selected Conditions	1,068	0%	1,108	0%
With four selected Conditions	67	0%	93	0%
No selected Conditions	913,806	78%	292,176	57%
<b>Total</b>	<b>1,168,223</b>	<b>100%</b>	<b>512,862</b>	<b>100%</b>

Table 7- Condition of Units

Data Source: 2007-2011 ACS

### Condition of Units note:

Renter units are affected at a higher rate by at least one housing condition than owner units.

## Year Unit Built

Year Unit Built	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
2000 or later	179,794	15%	57,497	11%
1980-1999	375,926	32%	153,725	30%
1950-1979	444,380	38%	211,489	41%
Before 1950	168,123	14%	90,151	18%
<b>Total</b>	<b>1,168,223</b>	<b>99%</b>	<b>512,862</b>	<b>100%</b>

Table 8 – Year Unit Built

Data Source: 2007-2011 CHAS

### Age of Housing Note:

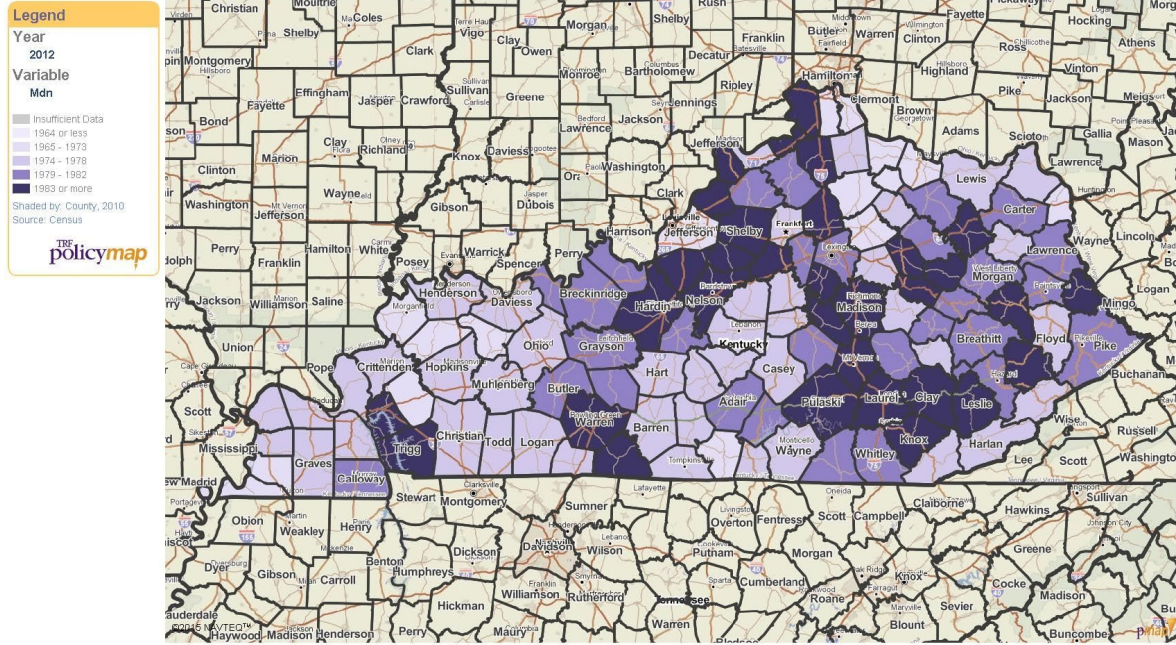
A higher percentage of rental units than owner units are older - 59% of rental units were constructed prior to 1980; 52% of owner units were constructed prior to 1980. These older units pose a higher risk for the presence of lead-based paint. In addition, these units may not be energy efficient or in good physical condition.



**Map of Kentucky with Estimated typical (median) year a housing unit was built, as of 2008-2012.**

**Estimated typical (median) year a housing unit was built, as of 2008-2012.**

Estimated median year housing unit structure was built, as of 2008-2012. Medians were suppressed in cases where the sample of the average was less than 10 of the unit that is being described (eg, households, people, householders, etc). Such areas are represented as having "Insufficient Data" in the map. A value of 2005 indicates a value of 2005 or later, whereas a value of 1939 indicates a value of 1939 or earlier. These data are mapped to the 2010 Census boundaries.



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**Median Year Housing Built Map**

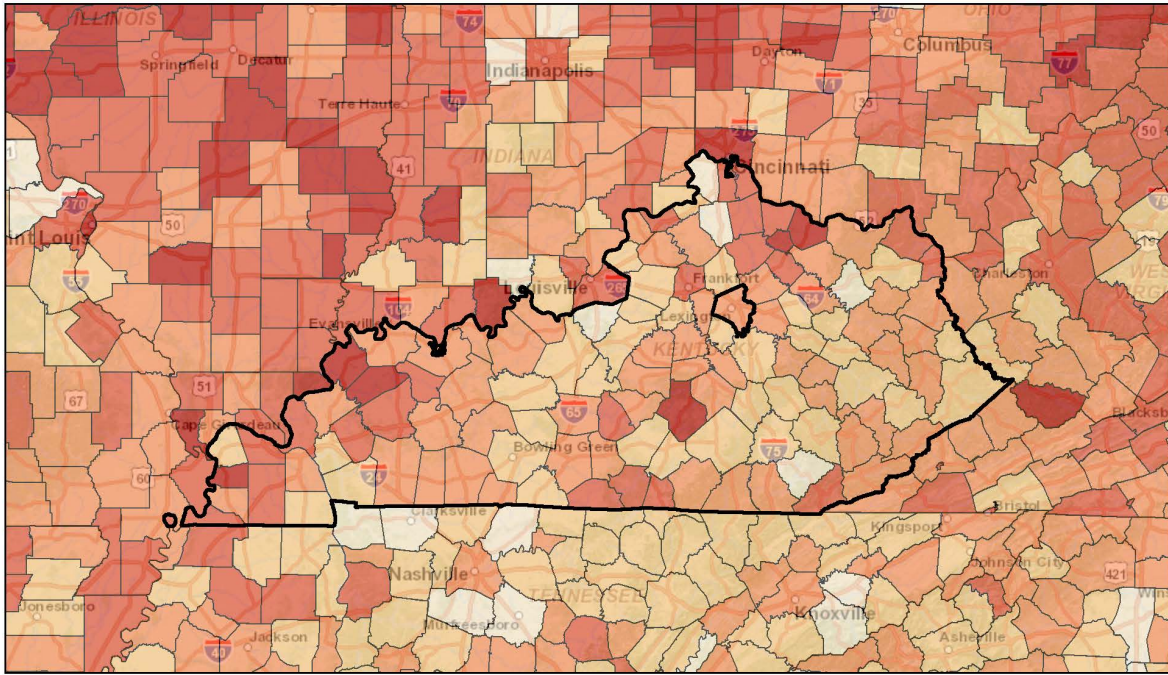
**Risk of Lead-Based Paint Hazard**

Risk of Lead-Based Paint Hazard	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
Total Number of Units Built Before 1980	612,503	52%	301,640	59%
Housing Units build before 1980 with children present	98,280	8%	47,790	9%

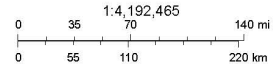
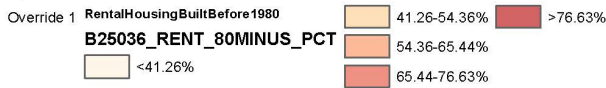
**Table 9 – Risk of Lead-Based Paint**

**Data Source:** 2007-2011 ACS (Total Units) 2007-2011 CHAS (Units with Children present)

Rental Housing Built Before 1980 - Higher Risk for Lead-Based Paint



October 8, 2014



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri Japan, METI, Esri China (Hong Kong), Esri (Thailand), TomTom, Mapbox, © OpenStreetMap contributors, and the GIS User Community

Pre-1980 Rental Housing Concentration Map

Vacant Units

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

Table 10 - Vacant Units

Data Source: 2005-2009 CHAS

Vacant Unit Note

Vacancy rates range from 4.4 to 44.81 percent. Counties with the highest level of vacancies are Clay, Meniffee, Livingston, Owsley, Robertson, Russell, Edmonson, Cumberland, Marshall, Harlan, Lyon, Breckinridge, Elliott, Clinton, Knott, Grayson, Lewis, Wolfe, Wayne, and Morgan. The lowest vacancy rates are counties located in the bedroom communities between the largest employment centers in Kentucky (also referred to as the "Golden Triangle"). These counties are Franklin, Bullitt, Daviess,

Woodford, Henry, Scott, Clark, Kenton, Boone, Oldham, Shelby, Washington, Jessamine, Spencer, Lincoln, Warren, Nelson, Henderson, and Anderson. The lower vacancy rates may also be attributed to data that suggests that these area economies have rebounded more quickly from the 2009 recession.

## **Need for Owner and Rental Rehabilitation**

The state's housing stock continues to age - new construction has not replaced older housing stock. More than 600,000 owner-occupied housing units and more than 300,000 renter-occupied housing units were constructed before 1980. These units are at higher risk of containing lead-based paint, and without rehabilitation, are nearing the end of their useful lives. The state is in danger of losing nearly 50,000 affordable, subsidized rental units over the next five years. Many of these rental units were originally constructed before 1980 and are in need of rehabilitation in order to preserve the housing stock.

Older housing, especially older manufactured housing, is not energy efficient and is more likely to be in poor overall condition. Rehabilitation or replacement of these owner-occupied units will greatly assist households in the lowest income levels to avoid or reduce housing cost burden. Although rental preservation is a very large need, in rural areas, families prefer to be homeowners rather than renters. Agencies who undertake acquisition/rehabilitation of single family homes in rural areas report that there continues to be a great need for this activity.

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

Nearly 150,000 housing units currently occupied by families with children were constructed prior to 1980, increasing the risk of high lead blood levels in the younger population. Of all housing units in Kentucky, over 900,000 were constructed before 1980 when lead-based paint was no longer used in residential housing (52 percent of all owner units and 59 percent of all renter units).

Kentucky's Department for Public Health, Childhood Lead Poisoning Prevention Program, has identified target Zip Codes where there is a higher risk of lead-based paint poisoning in children. To identify the geographic risk, the formula considers the percentage of pre-1950 housing, percentage of children with existing elevated blood lead levels, and poverty. Based on this formula, 263 of Kentucky's 765 zip codes were found to be at high risk. The focus areas include Louisville/Jefferson County, counties in far southwestern and far south eastern Kentucky, as well as northern Kentucky counties on the Ohio River across from Cincinnati, although there are target zip codes in 80 of the state's 120 counties.

Between 2000 and 2010, the Kentucky Department for Public Health reported an 83 percent decrease in the number of children with elevated levels of lead in their blood. The incidence of elevated blood-lead

level (EBLL) children decreased from six per thousand to one per thousand children. Based on the latest available data (2010), the counties with the highest rate of EBLL children are Owsley, Lee, Letcher, Wolfe, and Campbell.

**Discussion:**

## MA-25 Public and Assisted Housing – (Optional)

### Introduction:

KHC is the public housing agency for 87 of Kentucky's 120 counties and does not administer public housing units. As the state administrator of funds under this plan, KHC and DLG are not required to include an assessment of public housing agency units. Therefore, the information in this section is limited.

### Totals Number of Units

	Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project-based	Tenant-based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
# of units vouchers available	2	126	21,988	31,559	891	19,811	1,621	1,083	5,641
# of accessible units			90						

\*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition

Table 11 – Total Number of Units by Program Type

Data Source: PIC (PIH Information Center)

**Describe the supply of public housing developments:**

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

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

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

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 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.

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.

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 agency (PHA). KHC continues to be at maximum capacity under its voucher program and has closed the waiting list. KHC aggressively pursues any new voucher funding opportunities.

There are more than 100 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

KHC has established a partnership with local housing authorities that administer Housing Choice 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.

**Discussion:**

## MA-30 Homeless Facilities – 91.310(b)

### Introduction

Information on homeless facilities and services in this section include the Balance of State Continuum of Care, encompassing 118 of Kentucky's 120 counties. The remaining counties fall under the jurisdiction of the Metro Louisville and Lexington/Fayette County Continuums of Care.

### Facilities Targeted to Homeless Persons

	Emergency Shelter Beds		Transitional Housing Beds	Permanent Supportive Housing Beds	
	Year Round Beds (Current & New)	Voucher / Seasonal / Overflow Beds	Current & New	Current & New	Under Development
Households with Adult(s) and Child(ren)	473	38	368	517	0
Households with Only Adults	689	123	237	583	0
Chronically Homeless Households	0	0	0	141	0
Veterans	60	0	78	96	0
Unaccompanied Youth	16	0	0	0	0

**Table 12 - Facilities Targeted to Homeless Persons**

Data Source Comments:

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

The Balance of State Continuum of Care, encompassing 118 of Kentucky's 120 counties, offers numerous mainstream services targeted to homeless persons. The CoC is divided into six regions. The details of these services, including a county-by-county guide to agencies and the services they provide is located at this link: <http://www.kyhousing.org/Specialized-Housing/Documents/Community%20Resource%20Guide.pdf>

Available services include, but are not limited to:

- Emergency, Transitional, and Permanent Housing
- Emergency Assistance
- Mental Health, Substance Abuse, Psychiatric, and Developmental and Intellectual Disability assistance
- Housing Case Management
- Health Services
- Legal services
- Food and utility assistance
- Service referrals
- Clothing assistance
- Employment Counseling
- Life skills training
- Educational assessments
- Relocation assistance

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

As of March 2015, Kentucky's Balance of State Continuum of Care region inventory of housing and emergency shelter beds for homeless persons, chronically homeless persons, veterans and their families, and unaccompanied youth included:

- 1,383 emergency shelter beds
- 683 units of transitional housing
- 1,337 units of permanent supportive housing

Approximately 60 emergency shelter beds, 78 transitional housing beds, and 96 permanent supportive housing beds are reserved for veterans. Approximately 141 permanent supportive housing beds are targeted for the chronically homeless.

Kentucky's Domestic Violence programs statewide include 400 emergency shelter beds, 146 transitional housing units, and 122 units of permanent supportive housing.

Families with children have access to approximately 511 emergency shelter beds, 368 transitional housing beds and 517 units of permanent supportive housing. Approximately 812 emergency shelter beds, 237 transitional housing beds, and 583 permanent supportive housing beds are reserved for homeless adults. Sixteen emergency shelter beds are available for unaccompanied youth.

Services available to address the needs of these populations include those on the chart in the Strategic Plan and Market Analysis. Detail on these services and their geographic availability is available in the Community Resource Guide at this link:

<http://www.kyhousing.org/Specialized-Housing/Documents/Community%20Resource%20Guide.pdf>

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

### Introduction

#### HOPWA Assistance Baseline Table

Type of HOWA Assistance	Number of Units Designated or Available for People with HIV/AIDS and their families
TBRA	28
PH in facilities	0
STRMU	168
ST or TH facilities	0
PH placement	0

Table 13 – HOPWA Assistance Baseline

Data Source: HOPWA CAPER and HOPWA Beneficiary Verification Worksheet

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

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

In March 2020, Congress passed the CARES Act in response to the health and economic crisis caused by the COVID-19 pandemic. To best assist individuals and families experiencing hardship due to being infected by the virus or due to being economically impacted by the virus, KHC identified the need to use HOPWA-CV funding to support Short-Term Rent, Mortgage and Utility (STRMU) assistance and Tenant-Based Rental Assistance to prioritize keeping people housed or quickly getting them re-housed. The administrative costs to provide these services will also be funded. On an as-needed basis, KHC will also allow subrecipients to allocate funding via budget modifications to the leasing line item to support short-term hotel/motel vouchers should clients need to isolate due to a COVID-19 infection.

Recovery Kentucky was created to help individuals recover from substance abuse, which often leads to chronic homelessness. There are ten currently-operating centers in the state and two more under development. Each center can serve up to 100 persons at a time. Recovery Kentucky centers are designed to reduce the state’s drug problem and resolve some of the state’s homelessness issues. As

supportive housing projects, each center uses a recovery program model that includes peer support, daily living skills classes, job responsibilities, and establishes new behaviors.

Chafee Room and Board offers assistance to current and former foster care youths. Federal funds administered by the Cabinet for Health and Family Services provide short term rental assistance and assistance in establishing an independent household. Eligible participants are young adults age 18 to 21 who were in foster care on their 18th birthday or who were in the juvenile justice system.

Additional information about persons with severe mental illness is included in the next section.

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

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

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

In addition to direct assistance to individuals, OHI funds are used to support the efforts of agencies engaged in the development of permanent supportive housing for the Olmstead population. Funds received from the Cabinet, but not used to assist Olmstead individuals are accumulated in an account designated for new unit development. These funds will be used to finance the construction of small rental projects for agencies that agree to own and operate the housing and provide supportive services to the tenants.

Referrals to OHI are made by staff of psychiatric hospitals, case managers of the community mental health agencies, or staff of the Kentucky Division of Protection and Advocacy. Referrals are submitted to KHC and the Cabinet simultaneously.

KHC has learned that its 2014 application for funding under HUD's Section 811 Project-Based Rental Assistance program was successful. KHC will receive nearly \$6 million over five years to pay rental assistance under 150 project-based rental vouchers. These vouchers will be utilized to house adults with serious mental illness who will have access to voluntary supportive services. No more than 25 percent of a multifamily rental project's units may be designated as supportive housing under this

program. Additional leverage units will bring the total new units created during the next few years to more than 300.

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

KHC will continue to provide assistance funded by the Cabinet for Health and Family Services under the Chafee Room and Board Program. This program provides short-term rental assistance and household setup assistance to youth aging out of foster care, a population with a high incidence of homelessness.

KHC will continue to provide assistance funded by the Cabinet for Health and Family Services under the Olmstead Housing Initiative, providing permanent rental assistance vouchers and household setup assistance to persons with severe persistent mental illness at risk of becoming institutionalized or who are capable of leaving institutions and living independently. In addition, funding has been provided for the construction of permanent housing to assist this population. KHC was also recently notified of its successful application for Section 811 Project-Based Rental Vouchers which will provide an additional 150 funded housing units for this population. An additional number of leveraged units to support this initiative have also been pledged.

KHC and DLG continue to support the Recovery Kentucky initiative with 11 recovery centers currently constructed or under construction.

The Money Follows the Person program in Kentucky is known as Kentucky Transitions, and is administered solely by the Kentucky Cabinet for Health and Family Services. This program links persons with disabilities who currently reside in institutional settings to available housing in their community, where they can also receive needed services to remain independently housed.

KHC plans to utilize some of its HOME allocation for Tenant-Based Rental Assistance. Numerous agencies, especially those serving domestic violence survivors, have stated that this funding serves as the gap between homelessness and permanent housing for populations that are the most difficult to serve, as a high number have little to no income and may not qualify for a housing choice voucher. In addition, KHC may reserve HOME funds for TBRA for persons temporarily displaced due to disasters and emergencies declared by the Governor.

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

Not Applicable.

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

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

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.

According to HUD's Regulatory Barrier database for Kentucky, following is a list of some barriers and policies that increase the cost of housing:

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

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

## Introduction

### Economic Development Market Analysis

#### Business Activity

Business by Sector	Number of Workers	Number of Jobs	Share of Workers %	Share of Jobs %	Jobs less workers %
Agriculture, Mining, Oil & Gas Extraction	26,333	26,443	3	3	1
Arts, Entertainment, Accommodations	106,547	87,583	11	12	0
Construction	46,645	36,436	5	5	0
Education and Health Care Services	160,839	124,474	17	16	-1
Finance, Insurance, and Real Estate	49,102	32,934	5	4	-1
Information	16,043	10,083	2	1	0
Manufacturing	164,681	143,679	17	19	2
Other Services	29,828	22,998	3	3	0
Professional, Scientific, Management Services	57,234	36,222	6	5	-1
Public Administration	0	0	0	0	0
Retail Trade	141,706	117,451	15	15	1
Transportation and Warehousing	46,903	39,811	5	5	0
Wholesale Trade	47,143	37,197	5	5	0
Total	893,004	715,311	--	--	--

**Table 14 - Business Activity**

Data Source: 2007-2011 ACS (Workers), 2011 Longitudinal Employer-Household Dynamics (Jobs)

## Labor Force

Total Population in the Civilian Labor Force	1,372,442
Civilian Employed Population 16 years and over	1,251,713
Unemployment Rate	8.80
Unemployment Rate for Ages 16-24	22.48
Unemployment Rate for Ages 25-65	4.96

**Table 15 - Labor Force**

Data Source: 2007-2011 ACS

Occupations by Sector	Number of People
Management, business and financial	223,463
Farming, fisheries and forestry occupations	48,999
Service	127,151
Sales and office	301,781
Construction, extraction, maintenance and repair	146,292
Production, transportation and material moving	102,411

**Table 16 – Occupations by Sector**

Data Source: 2007-2011 ACS

## Travel Time

Travel Time	Number	Percentage
< 30 Minutes	817,093	68%
30-59 Minutes	301,506	25%
60 or More Minutes	76,766	6%
<b>Total</b>	<b>1,195,365</b>	<b>100%</b>

**Table 17 - Travel Time**

Data Source: 2007-2011 ACS

## Education:

### Educational Attainment by Employment Status (Population 16 and Older)

Educational Attainment	In Labor Force		Not in Labor Force
	Civilian Employed	Unemployed	
Less than high school graduate	93,893	16,000	147,776

Educational Attainment	In Labor Force		Not in Labor Force
	Civilian Employed	Unemployed	
High school graduate (includes equivalency)	379,444	34,190	190,294
Some college or Associate's degree	320,359	22,816	110,064
Bachelor's degree or higher	243,390	7,378	44,394

**Table 18 - Educational Attainment by Employment Status**

Data Source: 2007-2011 ACS

### Educational Attainment by Age

	Age				
	18–24 yrs	25–34 yrs	35–44 yrs	45–65 yrs	65+ yrs
Less than 9th grade	6,113	12,885	16,718	58,893	101,296
9th to 12th grade, no diploma	42,744	35,952	41,227	92,149	57,775
High school graduate, GED, or alternative	96,129	126,183	149,298	330,767	138,976
Some college, no degree	99,458	90,982	90,334	151,874	55,285
Associate's degree	11,852	33,066	35,859	56,030	9,375
Bachelor's degree	12,987	52,371	52,304	75,967	22,704
Graduate or professional degree	946	21,289	31,514	63,363	21,244

**Table 19 - Educational Attainment by Age**

Data Source: 2007-2011 ACS

### Educational Attainment – Median Earnings in the Past 12 Months

Educational Attainment	Median Earnings in the Past 12 Months
Less than high school graduate	0
High school graduate (includes equivalency)	0
Some college or Associate's degree	0
Bachelor's degree	0
Graduate or professional degree	0

**Table 20 – Median Earnings in the Past 12 Months**

Data Source: 2007-2011 ACS

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

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

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

Strategies to address the workforce needs within these sectors have been and continue to be developed by state and regional employer-driven partnerships. These partnerships coordinate information and resources to coordinate the strategies for common workforce challenges and are comprised of key industries and workforce and economic development professionals.

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

In general, the workforce infrastructure needs are:

- Training equipment at Kentucky’s Area Technology Centers are significantly out of date and result in substandard training for high school students pursuing technical pathways.
- Training funds for job training programs such as the Cabinet for Economic Development’s Bluegrass State Skills Corporation (BSSC) are underfunded based on demand. I.e. in FY 2013/14, the BSSC received 168 grant applications from Kentucky companies but were only able to fund 100 applications due to limited funds.

The growth and expansion of KY FAME is an excellent example of industry led initiatives that can enhance Kentucky’s workforce. As KY FAME grows additional funding will be necessary to staff the organization and to provide resources to the Kentucky Community and Technical College system for facilities, equipment and instructors.

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

In early 2015, Ford Motor Company announced that F-Series trucks produced at the Kentucky Truck Plant would be switching to a high-strength aluminum-alloy body. Due to Kentucky’s historical strength in aluminum production, the Commonwealth is in excellent position for continued growth in the aluminum industry. To prepare for this growth, Kentucky’s workforce system is developing a Materials Science Technician program through Kentucky Community and Technical College System (KCTCS) partners. To be responsive to market demands, KCTCS locations in Bowling Green and Owensboro are currently developing a customized two-year, apprenticeship-style Materials Science Technician degree

program in conjunction and in partnership with Western Kentucky University's Ogden School of Science and Engineering. The tentative start date of this program is set for the Fall Semester of 2015.

In addition, In August 2013, Toyota announced that it would grow its Toyota Motor Manufacturing Kentucky (TMMK) facility in Georgetown, KY by adding the United States' first Lexus manufacturing line. To accommodate the new 50,000 units of capacity that the Lexus ES represents, Toyota will be investing \$360 million in the plant and hiring 750 new workers. One of the critical points for this decision was TMMK's confidence in the area's skilled workforce.

In the recruitment of Lexus, the Cabinet for Economic Development worked with the Bluegrass Community and Technical College to develop a new satellite campus, where the new Lexus employees will receive specialized training. The new campus, just down the road from the Toyota plant, will also be available for other Toyota training, supplier training, and more generalized classroom work in manufacturing. Both certifications and college credits will be offered.

Since 2005, the Bluegrass Community & Technical College (BCTC) has operated an Advanced Manufacturing Technician program for manufacturers at a satellite Georgetown Campus located at TMMK. To accommodate the Lexus line, BCTC developed and designed an Advanced Manufacturing Training Center to be built at Lanes Run Business Park. Through the partnership with BCTC, TMMK leads an industry partnership (the Kentucky Federation for Advanced Manufacturing Education (KY FAME) of several area employers to implement a work-study program to develop the skilled workforce of the future. The program offers students the opportunity to learn in the environment in which they work while also providing the chance for students to immediately apply what they learn to their job. This partnership has developed a skilled workforce pipeline for TMMK since the program's inception. By locating the Advanced Manufacturing Training Center in Lanes Run Business Park, Kentucky was able to demonstrate its commitment to provide a skilled workforce that meets the requirements for quality and efficiency that the Lexus and TMMK reputations demand.

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

The graphic below provides insight into the supply and demand for jobs and careers in Kentucky. In general, Kentucky needs to increase technical associate and bachelor degree educational attainment to better meet the current and future job demands. The Work Ready Communities initiative addresses this issue through its county certification process. To receive a Work Ready certification, a county must demonstrate a plan to increase associate and bachelor degree attainment to 32 percent of the work age population within 3 years and 39 percent of the population within 5 years.

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

Gov. Steve Beshear announced the creation of the Kentucky Skills Network in February 2014. Its goal is to provide ease of service, professionalism, quality resources and results that will enhance the workforce delivery system in the Commonwealth. The Kentucky Skills Network brings together the solutions that individuals, employers and workforce professionals need to prosper in the global economy. Resources provided by the Kentucky Skills Network include:

- Grants and tax credits for training, tuition and certification
- Safety and health training
- Pre-employment recruitment, assessment and training
- Customized training
- Labor market research

In FY 2014, the state's economic development agency's consolidated services provided training for nearly 84,000 Kentuckians representing more than 4,000 companies from a variety of industry sectors, including manufacturing, healthcare, information technology, energy, distribution, and research and development. In all, Kentucky Skills Network partners provided more than \$14 million in grant and tax credit funding to train employees of Kentucky companies.

The Kentucky Skills Network is a collaborative partnership between the Cabinet for Economic Development, the Kentucky Community & Technical College System, the Labor Cabinet and the Education and Workforce Development Cabinet.

### **Describe any other state efforts to support economic growth.**

Kentucky takes a holistic approach to growing businesses, creating jobs and supporting the local workforce. The state not only lands the big international corporations and helps existing companies expand, but also is becoming a national leader in supporting entrepreneurs and small business. Here are a few examples of how the state supports economic growth:

**Created new legislation to support businesses:** The Kentucky Cabinet for Economic Development worked with the Kentucky General Assembly to expand the Kentucky Jobs Retention Act to allow more companies to take advantage of incentives for making significant investments in their Kentucky facilities. We also helped create Kentucky's first-ever individual Angel Tax Credit to encourage more angel investing in Kentucky startup companies.

**Created new ways to assist both entrepreneurs and investors:** Understanding that small businesses are the backbone of our economy, the Cabinet created the Office of Entrepreneurship. The Office helps companies of all shapes and sizes with everything from funding initiatives, to marketing and sales assistance, to small business advocacy to resource referrals. The Office of Entrepreneurship also

oversees the Kentucky Innovation Network. Consisting of 13 offices that reach all corners of the state, the Network offers extensive resources for small and new businesses, as well as innovative and high-tech companies. All services are provided free of charge. For investors, we created the Kentucky Angel Investors Network to make it easier for entrepreneurs and investors to connect and broker deals on a statewide basis.

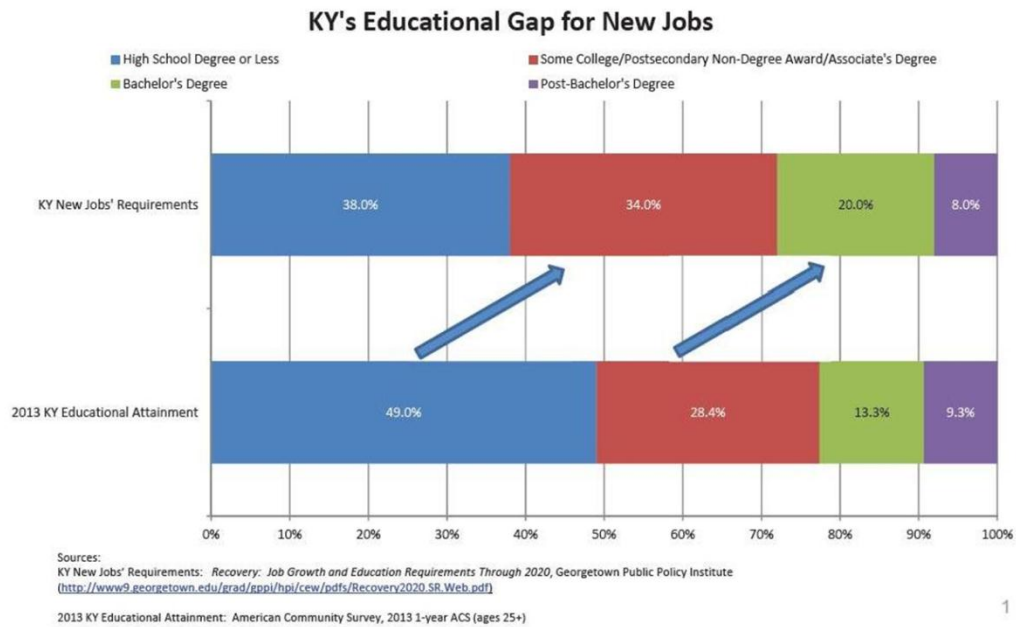
**Made site selection easy:** Kentucky is helping site selectors to choose potential sites and communities to land highly competitive projects. To give Kentucky communities a significant advantage, the Cabinet recently launched its Build-Ready Program. In addition to shovel-ready sites and pre-existing buildings, communities now have the option of proactively preparing and marketing land to potential companies without assuming all the risk and cost of constructing a building. In short, a “Build-Ready” site is just that – one in which the preparation work has been completed and construction can begin almost immediately.

**Launched the Kentucky Auto Industry Association (KAIA):** Things get done when companies come together for a common purpose. That’s why the Cabinet orchestrated the creation of the Kentucky Automotive Industry Association. An industry-led organization, KAIA was launched this year to create a unified voice for Kentucky’s vast automotive network, which produces the third-most vehicles in the country. The association plays a vital role in addressing the challenges, solutions and opportunities facing the industry. Through this organization, competitors actually work together to improve the opportunities for all.

**Grew Exports:** Kentucky’s export growth is up about 10 percent, well exceeding the national average. The Cabinet has facilitated recent trade missions to the United Kingdom and Canada. It also created the Kentucky Export Initiative, designed to create a global market for more Kentucky-made products.

## Discussion

# Kentucky Supply and Demand for New Jobs



## Jobs Supply and Demand

## MA-50 Needs and Market Analysis Discussion

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

The most prevalent housing problem based on data in the needs assessment is housing cost burden. Kentucky's statewide rate for housing cost burden (paying more than 30 percent of income for housing costs) is 28.03 percent. Concentration is defined as a rate 10 percentage points higher than the state rate, or 38.03 percent. Kentucky's statewide rate for substandard housing is 1.01 percent. Concentration is defined as a rate 10 percentage points higher than the state rate, or 11.01 percent. However, as has been discussed previously in the needs assessment and market analysis, the data used to establish substandard housing provided by the U.S. Census is limited in scope and may not include housing units that are substandard by the state's definition.

Data indicate that the highest concentration of households with housing cost burden and any other housing problem (substandard housing) are in the following counties:

- Jackson (32% cost burden/1.44% substandard housing)
- Garrard (31.43% cost burden/1.25% substandard housing)
- Warren (32.39% cost burden/1.11% substandard housing)
- Gallatin (32.53% cost burden/1.17% substandard housing)
- Jessamine (33.62% cost burden/1.43% substandard housing)
- Bath (37.97% cost burden/1.86% substandard housing)
- Powell (35.43% cost burden/3.38% substandard housing)

A household is considered severely cost burden if they are paying more than 50 percent of their income for housing costs. The Kentucky statewide rate for severe housing cost burden is 11.93 percent. Concentration is defined as a rate ten percentage points higher than the state rate, or 21.93 percent. Severely housing cost burdened households that are also residing in substandard housing are concentrated in the following counties:

- Clay (17.38% severe cost burden/1.26% substandard housing)
- Madison (13.15% severe cost burden/1.11% substandard housing)
- Knox (14.87% severe cost burden/1.59% substandard housing)
- Rockcastle (14.97% severe cost burden/2.08% substandard housing)
- Pulaski (14.94% severe cost burden/3.05% substandard housing)
- Jessamine (14.19% severe cost burden/1.43% substandard housing)
- Jackson (14.36% severe cost burden/1.44% substandard housing)
- Warren (14.74% severe cost burden/1.11% substandard housing)
- Lincoln (13.17% severe cost burden/2.14% substandard housing)
- Bath (19.63% severe cost burden/1.86% substandard housing)
- Estill (14% severe cost burden/1.67% substandard housing)

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

Minority concentration is defined as a county with minority rates for any race that is twice as high as the statewide rate for that minority population.

The Black/African American population comprises 7.71 percent of the population statewide. Two counties in the non-entitlement jurisdiction covered by this plan are considered to have a concentration of the Black-African American population - Fulton (23.35 percent) and Christian (21.05 percent). Both of these counties are located in the far western part of the state. Fulton County is considered part of the Mississippi Delta region as it borders the Mississippi River.

The American Indian/Alaskan Native population comprises 0.17 percent of the population statewide. Numerous counties in Kentucky in the non-entitlement jurisdiction covered by this plan are considered to have a concentration of the American Indian/Alaska Native population:

- Webster (0.47%)
- Rockcastle (0.36%)
- Christian (0.38%)
- Trimble (0.77%)
- Bourbon (0.39%)
- Carlisle (1.18%)
- Hancock (0.42%)
- Martin (0.93%)
- Butler (2.22%)
- Russell (0.35%)
- Spencer (0.48%)
- Bullitt (0.35%)
- Meade (0.38%)
- Estill (0.4%)
- McCreary (0.7%)

The Asian population comprises 1.09 percent of the population statewide. One county in the non-entitlement jurisdiction covered by this plan is considered to have a concentration of the Asian population - Warren County with 2.54 percent.

Persons reporting two or more races comprise 1.39 percent of the population statewide. McCreary County is comprised of 2.78 percent of persons who report that their race is two or more races combined.

The Hispanic population comprises 2.89 percent of Kentucky's total population. The following counties are considered to have a concentration of the Hispanic population:

- Carroll (6.65%)
- Woodford (6.17%)
- Christian (6.15%)
- Shelby (8.71%)
- Bourbon (6.24%)

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

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

### **Are there any community assets in these areas/neighborhoods?**

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

### **Are there other strategic opportunities in any of these areas?**

The Supporting Our Appalachian Region (SOAR) initiative is a newly formed group including federal, state, local and private interests to help identify development strategies in agriculture, business recruitment, health, tourism and other areas. The overall goal is to create quality jobs in region.

KHC and DLG also enjoy a close working relationship with many organizations whose focus is on housing and economic development in rural areas, especially Appalachia.



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

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

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

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

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

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