

# Strategic Plan

## SP-05 Overview

### Strategic Plan Overview

KHC and DLG have established a strategic plan to address housing and community development needs during the next five years. Shrinking financial resources, combined with increasing needs create many challenges. The priority needs discussed in this section are all treated equally - and rated as high priorities. As annual Action Plans are created based on the available resources, funds will be allocated to activities based on many factors. Because KHC and DLG attempt to serve the needs of most of the state, geographic priorities are not established as high level strategies.

In April 2020, HUD issued waivers that eliminated the requirement for grantees to update the Strategic Plan 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".

## SP-10 Geographic Priorities – 91.315(a)(1)

### Geographic Area

Table 1 - Geographic Priority Areas

1	<b>Area Name:</b>	Non-Entitlement Geographic Area
	<b>Area Type:</b>	Other
	<b>Other Target Area Description:</b>	Other
	<b>HUD Approval Date:</b>	
	<b>% of Low/ Mod:</b>	
	<b>Revital Type:</b>	
	<b>Other Revital Description:</b>	
	<b>Identify the neighborhood boundaries for this target area.</b>	Statewide, except in localities that receive a direct allocation of block grant funds. In most instances, this encompasses 118 of Kentucky's 120 counties, excluding Louisville and Lexington. However, in some instances, the state may elect to utilize some resources in entitlement areas as described throughout the plan.
	<b>Include specific housing and commercial characteristics of this target area.</b>	See needs assessment and market analysis
	<b>How did your consultation and citizen participation process help you to identify this neighborhood as a target area?</b>	This area is the state's participating jurisdiction
	<b>Identify the needs in this target area.</b>	See needs assessment
<b>What are the opportunities for improvement in this target area?</b>	See market analysis	
<b>Are there barriers to improvement in this target area?</b>	See needs assessment, market analysis, and strategic plan.	
2	<b>Area Name:</b>	Statewide
	<b>Area Type:</b>	PJ area plus other entitlement areas
	<b>Other Target Area Description:</b>	PJ area plus other entitlement areas
	<b>HUD Approval Date:</b>	
	<b>% of Low/ Mod:</b>	
	<b>Revital Type:</b>	

<b>Other Revital Description:</b>	
<b>Identify the neighborhood boundaries for this target area.</b>	
<b>Include specific housing and commercial characteristics of this target area.</b>	
<b>How did your consultation and citizen participation process help you to identify this neighborhood as a target area?</b>	
<b>Identify the needs in this target area.</b>	
<b>What are the opportunities for improvement in this target area?</b>	
<b>Are there barriers to improvement in this target area?</b>	

### **General Allocation Priorities**

Describe the basis for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA)

KHC and DLG do not allocate investments geographically within the state in general, as funding applications are scored competitively. Individual programs may consider geographic balance when distributing funds as described below. All funds are allocated through competitive funding applications submitted for eligible activities.

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. The state has established one geographic priority area that encompasses areas of the state that are not entitlement jurisdictions. Most programs allocate only to this geographic area unless special circumstances dictate otherwise. The HTF program has not designated a limited geographic area.

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. KHC may allocate funds on a contingency basis for natural disasters or emergencies as declared by the governor to be used for TBRA for displaced households.

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.

HTF: Funds are allocated to multifamily rental projects for new construction or rehabilitation. There is no restriction on the geographic location of projects funded in the state unless restrictions associated with other funding tied to the project affects location.

### **CARES Act Funding**

CDBG-CV: CDBG CARES Act funds will in large part be distributed to units of local government. The Commissioner of DLG reserves the right to: 1) adjust the amount and split of funds; 2) to give higher priority/preference to the areas of highest need; 3) increase awards to existing grantees; 4) release a competitive Notice of Funding Availability (NOFA); 5) make direct grants to new grantees; 6) make other changes, as allowable by HUD, to coordinate with other CARES Act and COVID-19 response planning in Kentucky.

ESG-CV: To ensure geographic coverage across the 118-county Balance of State and best meet citizen and agency emergency needs in a timely fashion, KHC reserves the right to allocate funds by these methods: 1) increase awards to existing subrecipients; 2) competitive Notice of Funding Availability (NOFA); 3) direct grants to new subrecipients; 4) administration of direct assistance by KHC staff, if permitted in forthcoming ESG CARES Guidance from HUD; and 5) other methods as allowed by HUD Guidance and Waivers to be issued, as necessary.

HOPWA-CV: KHC plans to increase allocations to existing HOPWA formula grantees.

## SP-25 Priority Needs – 91.315(a)(2)

### Priority Needs

Table 2 – Priority Needs Summary

1	<b>Priority Need Name</b>	Rental Assistance
	<b>Priority Level</b>	High
	<b>Population</b>	Extremely Low Low Persons with HIV/AIDS Persons with HIV/AIDS and their Families
	<b>Geographic Areas Affected</b>	Other
	<b>Associated Goals</b>	ESG Activities HOME Rental Assistance HOPWA Activities
	<b>Description</b>	Tenant-Based Rental Assistance and short-term rental assistance for special needs households
	<b>Basis for Relative Priority</b>	TBRA assists families at the lowest income levels, and assists those who may not qualify for a Housing Choice Voucher. Housing Choice Vouchers are in short supply, and this activity assists in filling the gap. ESG and HOPWA activities are focused on providing rental assistance to prevent and end homelessness.
2	<b>Priority Need Name</b>	Production of New Affordable Housing
	<b>Priority Level</b>	High
	<b>Population</b>	Extremely Low Low Moderate Middle
	<b>Geographic Areas Affected</b>	Other
	<b>Associated Goals</b>	HOME Homeowner Activities HOME Multifamily Activities HTF Multifamily Activities
	<b>Description</b>	Production of new rental or homeowner-occupied affordable housing.

	<b>Basis for Relative Priority</b>	There continues to be a high need for affordable rental housing throughout the state. Needs data indicate that there is a large gap between affordable rental housing stock and availability. In addition, especially in rural areas, families prefer to own their home rather than rent. The production of affordable owner-occupied housing remains a need.
<b>3</b>	<b>Priority Need Name</b>	Rehabilitation of Affordable Housing
	<b>Priority Level</b>	High
	<b>Population</b>	Extremely Low Low Moderate Middle
	<b>Geographic Areas Affected</b>	Other
	<b>Associated Goals</b>	CDBG Housing HOME Homeowner Activities HOME Multifamily Activities HTF Multifamily Activities
	<b>Description</b>	Rehabilitation of existing affordable rental housing and owner-occupied housing.
	<b>Basis for Relative Priority</b>	The state of Kentucky is in danger of losing nearly 50,000 affordable rental units through 2020. In addition, owner-occupied housing continues to age. Those in the lowest income levels have difficulty affording major repairs and renovations on substandard housing. Lack of energy efficiency directly contributes to housing cost burden.
<b>4</b>	<b>Priority Need Name</b>	Acquisition/Rehabilitation of Affordable Housing
	<b>Priority Level</b>	High
	<b>Population</b>	Extremely Low Low Moderate Middle
	<b>Geographic Areas Affected</b>	Other

	<b>Associated Goals</b>	HOME Multifamily Activities HTF Multifamily Activities
	<b>Description</b>	Aquisition and Rehabilitation of affordable housing.
	<b>Basis for Relative Priority</b>	Rehabilitation of rental housing in order to preserve the units may involve aquisition of a project by a new owner. Rehabilitation of rental housing will help preserve units that are in danger of being lost from the housing inventory.
<b>5</b>	<b>Priority Need Name</b>	Homelessness Outreach
	<b>Priority Level</b>	High
	<b>Population</b>	Extremely Low Low Rural Chronic Homelessness Individuals Families with Children Mentally Ill Chronic Substance Abuse veterans Persons with HIV/AIDS Victims of Domestic Violence Unaccompanied Youth
	<b>Geographic Areas Affected</b>	Other
	<b>Associated Goals</b>	ESG Activities
	<b>Description</b>	Outreach to homeless populations
	<b>Basis for Relative Priority</b>	Assisting the chronically homeless and unsheltered homeless
	<b>6</b>	<b>Priority Need Name</b>
<b>Priority Level</b>		High

	<b>Population</b>	Extremely Low Low Rural Chronic Homelessness Individuals Families with Children Mentally Ill Chronic Substance Abuse veterans Persons with HIV/AIDS Victims of Domestic Violence Unaccompanied Youth Elderly Frail Elderly Persons with Mental Disabilities Persons with Physical Disabilities Persons with Developmental Disabilities Persons with Alcohol or Other Addictions Persons with HIV/AIDS and their Families Victims of Domestic Violence
	<b>Geographic Areas Affected</b>	Other
	<b>Associated Goals</b>	ESG Activities
	<b>Description</b>	Provision of emergency shelter activities and transitional housing for homeless and special needs populations.
	<b>Basis for Relative Priority</b>	Nearly 4,000 persons are provided with emergency shelter housing each year in Kentucky. The number of homeless persons in the state have remained constant, many in rural areas. Transitional housing is instrumental in moving persons from shelters and other non-permanent housing venues and acts as a stepping stone toward permanent housing solutions.
7	<b>Priority Need Name</b>	Rapid-Rehousing
	<b>Priority Level</b>	High

	<b>Population</b>	Extremely Low Low Moderate Middle Rural Chronic Homelessness Individuals Families with Children Mentally Ill Chronic Substance Abuse veterans Victims of Domestic Violence
	<b>Geographic Areas Affected</b>	Other
	<b>Associated Goals</b>	ESG Activities
	<b>Description</b>	Assistance to rapidly re-house homeless families.
	<b>Basis for Relative Priority</b>	Rapid Re-Housing of homeless families assists more than 1,000 households yearly in Kentucky. Data indicate that households that are re-housed rapidly have a higher housing success rate.
8	<b>Priority Need Name</b>	Homelessness Prevention
	<b>Priority Level</b>	High
	<b>Population</b>	Extremely Low Low Moderate Middle Rural Individuals Families with Children Mentally Ill Chronic Substance Abuse veterans Persons with HIV/AIDS Victims of Domestic Violence Persons with HIV/AIDS and their Families Victims of Domestic Violence

	<b>Geographic Areas Affected</b>	Other
	<b>Associated Goals</b>	ESG Activities
	<b>Description</b>	Preventing families on the verge of homelessness from becoming literally homeless by providing housing assistance.
	<b>Basis for Relative Priority</b>	Homelessness prevention is preferable to literal homelessness. Once an individual or family becomes homeless, a myriad of problems follow.
<b>9</b>	<b>Priority Need Name</b>	Public Facilities
	<b>Priority Level</b>	High
	<b>Population</b>	Non-housing Community Development
	<b>Geographic Areas Affected</b>	Other
	<b>Associated Goals</b>	CDBG Public Facilities
	<b>Description</b>	May include Senior Centers, Handicapped Centers, Homeless Facilities, Youth Centers, Childcare Centers, Neighborhood Facilities, Fire Stations/Equipment, Health Facilities, Parks/Recreational Facilities, or Facilities for Speical Needs Populations.
	<b>Basis for Relative Priority</b>	CDBG funding is a major source of funds in the state for these facilities.
<b>10</b>	<b>Priority Need Name</b>	Public Improvements/Infrastructure
	<b>Priority Level</b>	High
	<b>Population</b>	Non-housing Community Development
	<b>Geographic Areas Affected</b>	Other
	<b>Associated Goals</b>	CDBG Public Improvements/Infrastructure

	<b>Description</b>	May include Water/Sewer Improvements and Flood Drainage Improvements
	<b>Basis for Relative Priority</b>	CDBG focuses on these limited activities and funds other eligible activities with other funding sources.
<b>11</b>	<b>Priority Need Name</b>	Public Services
	<b>Priority Level</b>	High
	<b>Population</b>	Non-housing Community Development
	<b>Geographic Areas Affected</b>	Other
	<b>Associated Goals</b>	CDBG Services
	<b>Description</b>	Services for Recovery Kentucky
	<b>Basis for Relative Priority</b>	DLG limits its public services funding to Recovery Kentucky programs throughout the state
<b>12</b>	<b>Priority Need Name</b>	Economic Development
	<b>Priority Level</b>	High
	<b>Population</b>	Non-housing Community Development
	<b>Geographic Areas Affected</b>	Other
	<b>Associated Goals</b>	CDBG Economic Development
	<b>Description</b>	Economic development activities
	<b>Basis for Relative Priority</b>	Economic development is an important activity to revitalize communities
<b>13</b>	<b>Priority Need Name</b>	Other Housing and/or Service Needs
	<b>Priority Level</b>	High

	<b>Population</b>	Extremely Low Low Moderate Large Families Families with Children Rural Chronic Homelessness Individuals Families with Children Mentally Ill Chronic Substance Abuse veterans Persons with HIV/AIDS Victims of Domestic Violence Unaccompanied Youth Persons with HIV/AIDS and their Families
	<b>Geographic Areas Affected</b>	Other
	<b>Associated Goals</b>	ESG Activities HOPWA Activities
	<b>Description</b>	Focused on other housing and service needs for special needs programs, such as short-term mortgage assistance and service needs for HOPWA-eligible households and street outreach to homeless persons under ESG.
	<b>Basis for Relative Priority</b>	Persons with HIV/AIDS are in need of housing supports to help them remain in their homes. Services, especially transportation needs, are in high demand. In addition, street outreach to homeless persons aids in moving them from unsheltered to sheltered.
14	<b>Priority Need Name</b>	COVID-19 Response
	<b>Priority Level</b>	High
	<b>Population</b>	Extremely Low Low Moderate Individuals Persons with HIV/AIDS Non-housing Community Development Other

<b>Geographic Areas Affected</b>	PJ area plus other entitlement areas
<b>Associated Goals</b>	COVID-19 Reponse
<b>Description</b>	Provide facilities and services in support of the COVID-19 pandemic response. Focus on housing and service needs in response to the pandemic, such as street outreach and emergency shelter, rapid rehousing, homelessness prevention under ESG-CV; TBRA, STRMU, and leasing of short-term hotel/motel rooms for self-isolation purposes for persons diagnosed with HIV/AIDS and their families under HOPWA-CV; and assistance to units of local government under CDBG-CV.
<b>Basis for Relative Priority</b>	In light of the increasing severity and economic impacts of the pandemic, Kentucky is interested in making available CARES Act funding to program eligible projects and activities to quickly respond to persons and communities in need.

**Narrative (Optional)**

The new National Housing Trust Fund's priority needs are included under priority needs 2, 3, and 4.

The new CARES Act (CDBG-CV, ESG-CV, and HOPWA-CV) priority needs will help address and augment the existing priority needs outlined in 1 and 5 through 13. The funding will also help address the new needs identified in 14.

## SP-30 Influence of Market Conditions – 91.315(b)

### Influence of Market Conditions

Affordable Housing Type	Market Characteristics that will influence the use of funds available for housing type
Tenant Based Rental Assistance (TBRA)	Housing choice vouchers across the state, including those administered by KHC, are in very short supply. Waiting lists are very long. Tenant-based rental assistance provided under the HOPWA program is in high demand, as the population assisted by this program prefer to live independently in their home communities. HOME TBRA provides vital gap funding while persons await permanent vouchers. HOME TBRA may be provided through a disaster contingency allocation in the event of a natural disaster or emergency declared by the governor. TBRA funding is also vital to assist victims of domestic violence and other special needs populations to locate housing quickly. The TBRA program allows persons who might not qualify for a housing choice voucher to access assistance.
TBRA for Non-Homeless Special Needs	TBRA funding is vital to assist victims of domestic violence and other special needs populations who need to locate housing quickly. The TBRA program allows persons who might not qualify for a housing choice voucher to access assistance. Tenant-based rental assistance provided under the HOPWA program is in high demand, as the population assisted by this program prefer to live independently in their home communities.
New Unit Production	There continues to be a shortage of safe, decent, affordable housing in Kentucky. There is only one affordable rental housing unit for very three families that need to locate housing. In addition, new homeownership units are needed to house families in rural areas where ownership is preferred over renting.
Rehabilitation	Kentucky is in danger of losing nearly 50,000 affordable rental units in the next five years. <i>Older multifamily housing is in need of repair, which if it is not addressed, can result in the loss of the units as well as rental subsidy tied to the projects.</i> In addition, older owner-occupied housing, especially older manufactured housing, is not energy efficient, causing families to be cost burdened. Total housing costs (rent/mortgage plus utilities) is very high in non-energy efficient, older housing.
Acquisition, including preservation	Many rental projects are nearing the end of their required affordability period, owners may wish to divest themselves of the housing, allowing a new owner to acquire the units to rehabilitate and renew the affordability period. Homeowner housing opportunities may also be created by the acquisition and rehabilitation of single family homes.

Table 3 – Influence of Market Conditions



**SP-35 Anticipated Resources - 91.315(a)(4), 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 Reminder 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 Reminder 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 Reminder 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 Reminder 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.
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

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
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
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 4 - Anticipated Resources**

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

Federal funds will continue to be leveraged with other resources to achieve the objectives of this plan. Matching requirements will be achieved through a variety of methods. Kentucky is fortunate in that a majority of our recipients – nonprofits, private developers and units of local government – have contributed a large amount of matching funds with their projects. In fact, in the past, HOME recipients have provided enough matching funds annually to allow the state to carry match forward to future years. In addition, KHC will continue to provide matching funds, if needed. Periodically, the amount of HOME matching funds required is reduced due to high unemployment rates, natural disasters, or other factors determined by HUD.

There are several block grant programs that are allocated by the state through a competitive system. This system provides an incentive for applicants to include leverage and matching funds in the project that count toward federal match requirements. Some programs award points to applicants that propose more than the required leverage and matching funds. This encourages applicants to blend funds with other programs to provide for affordable housing opportunities. Other programs require a set amount of proposed match and/or leverage to be eligible for funding.

For example, KHC encourages all HOME Program applicants match their total HOME request with at least 10 percent of HOME-eligible matching sources, and points awarded to applications may be based in part on matching funds and leverage. Applicants are also encouraged to contribute additional funds to their project, including, but not limited to, bank loans and other state and federal grants/loans.

KHC and DLG encourage applicants to utilize several sources of funds from the private sector, state programs and local programs to assist in meeting HUD matching requirements to increase the amount of funds available to provide affordable housing.

Each ESG recipient must match the funding provided by ESG with an equal value of contributions from other sources. These funds must be provided after the date of the grant award. In calculating matching funds, recipients may include the value of any donated material or building, the value of the lease of a building, staff salaries paid by the grantee and volunteer time. The recipient may not include funds used to match any previous ESG grant or any other grant.

It is anticipated that matching funds will come from a variety of sources, both public and private. Each sub-recipient of ESG funds will be required to match their allocation at a one-to-one level or higher. Because many agencies will be able to use in-kind donations of both goods and

services as well as cash contributions, it is anticipated that the Kentucky State ESG program will access a sufficient amount of matching funds. NOTE: Match is not required for ESG CARES Act funding (ESG-CV).

HOPWA recipients are not required to meet a minimum match requirement, but recipients must coordinate their funding with the administration of federal and state AIDS service funding. At any time, leverage may be one of the factors used in evaluating and ranking HOPWA proposals.

In general, CDBG applicants receive higher priority for funding if they provide matching funds.

*There is no matching funds requirement for National Housing Trust Fund (HTF) project applicants. However, because these funds are the smallest portion of total project costs, matching and leverage funds will be provided by project-based rental assistance, bond financing, low-income housing tax credits, and other financing mechanisms. The amount of non-federal funding associated with most projects will be substantially higher than the amount of HTF funding allocated to the project.*

**If appropriate, describe publically owned land or property located within the state 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

## SP-40 Institutional Delivery Structure – 91.315(k)

Explain the institutional structure through which the jurisdiction will carry out its consolidated plan including private industry, non-profit organizations, and public institutions.

Responsible Entity	Responsible Entity Type	Role	Geographic Area Served
KENTUCKY HOUSING CORPORATION	Government	Homelessness Non-homeless special needs Ownership Planning Rental	Jurisdiction
KENTUCKY, COMMONWEALTH OF ( CDBG GRANT PAYMENTS ONLY)	Government	Economic Development Planning neighborhood improvements public facilities public services	Jurisdiction
Kentucky Balance of State Continuum of Care		Homelessness Planning	

**Table 5 - Institutional Delivery Structure**

### Assess of Strengths and Gaps in the Institutional Delivery System

KHC and DLG partner numerous entities to deliver the housing and economic development activities under the Consolidated Plan. Because these entities have not yet been awarded funding under the plan, we cannot name all of them. Included in the delivery structure in this section are KHC and DLG, along with some of the state agencies who already partner with KHC and DLG under existing programs that are expected to continue under this plan. Both KHC and DLG depend on the active participation of partners to accomplish the overall goals of these programs.

KHC and DLG will continue to partner with a diverse number of entities from private industry, non-profit organizations, local governments, 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. In addition to entities that receive funding under the Consolidated Plan programs, KHC and DLG consult with state agencies, local governments, federal agencies, and many other entities that serve the same populations

assisted under these programs. KHC is the coordinating entity for the Balance of State Continuum of Care, encompassing 118 of Kentucky's 120 counties.

KHC administers numerous housing programs as well as statutory housing committees, all of which enhance the coordination of programs and assistance statewide. KHC administers the Housing Choice Voucher program 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 is attended by hundreds of representatives of various housing and related service organizations.

KHC coordinates the state's Housing Policy Advisory Committee and Kentucky Interagency Council on Homelessness. 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.

**Availability of services targeted to homeless persons and persons with HIV and mainstream services**

Homelessness Prevention Services	Available in the Community	Targeted to Homeless	Targeted to People with HIV
<b>Homelessness Prevention Services</b>			
Counseling/Advocacy	X	X	X
Legal Assistance		X	
Mortgage Assistance			X
Rental Assistance	X	X	X
Utilities Assistance	X	X	X
<b>Street Outreach Services</b>			
Law Enforcement			
Mobile Clinics		X	
Other Street Outreach Services		X	
<b>Supportive Services</b>			
Alcohol & Drug Abuse	X	X	X
Child Care	X	X	
Education	X	X	

<b>Supportive Services</b>			
Employment and Employment Training	X	X	
Healthcare	X	X	X
HIV/AIDS	X	X	X
Life Skills	X	X	X
Mental Health Counseling	X	X	X
Transportation	X	X	
<b>Other</b>			

**Table 6 - Homeless Prevention Services Summary**

**Describe the extent to which services targeted to homeless person and persons with HIV and mainstream services, such as health, mental health and employment services are made available to and used by homeless persons (particularly chronically homeless individuals and families, families with children, veterans and their families and unaccompanied youth) and persons with HIV within the jurisdiction**

In order to improve access to homeless services statewide, KHC uses the lists of existing homeless services to maintain a CoC Resource Guide. This guide is made available on KHC’s and the Kentucky Interagency Council on Homelessness Web site to persons seeking assistance and to service agencies that provide assistance ([www.kyhousing.org](http://www.kyhousing.org) and [www.kyhomeless.org](http://www.kyhomeless.org) ). To ensure the publication's accuracy, KHC solicits updates and makes changes regularly on the Web site. In addition, the Commonwealth of Kentucky also operates a statewide, web-based referral system of all mainstream services called KyCARES.

The Kentucky Interagency Council on Homelessness has developed an assessment tool to assist the CoC systematically helps homeless persons identify, apply for and receive mainstream benefits. It is included in the statewide HMIS system.

In addition, the Kentucky Interagency Council on Homelessness has developed a training program on the needs of homeless persons and the barriers to mainstream services. This program is mandatory for all new employees of the state Cabinet for Health and Family Services and includes TANF, food stamps, SSI, SSDI, Medicaid, Medicare, foster care and S-CHIP programs. HUD and local community leaders have offered workshops on access to Mainstream Services and Legal Aid helps with appeals for mainstream services. Information about all mainstream services administered by the state can be accessed at state government’s main website and several applications for services are accessible at [KyCares.net](http://KyCares.net).

Kentucky Housing and the Kentucky Interagency Council on Homeless partnered to move forward the state’s involvement with the SSI/SSDI Outreach Access and Recovery (SOAR). SOAR is a national initiative in cooperation with Policy Research Associates and the Social Security Administration which trains case

managers from local agencies to assist their clients with the application process to access disability income. History has shown that a low percentage of people who qualify for such income are approved due to the complicated and time-consuming process of application. SOAR has goals to increase the percentage of successful applications, to reduce the number of appeals of negative decisions and to decrease the time between application and decision.

The Kentucky Cabinet for Health and Family Services is responsible for planning and distribution of state and federal funds for youth programs. The Chafee Room and Board program includes services to youth aging out of foster care and those in the juvenile justice system.

Agencies in five care coordinator regions administer HOPWA funds for housing and services in addition to Ryan White funding to assist persons affected by HIV/AIDS.

**Describe the strengths and gaps of the service delivery system for special needs population and persons experiencing homelessness, including, but not limited to, the services listed above**

KHC administers numerous programs that assist special needs populations and homeless persons. Because of KHC's role, programs are better able to coordinate funding, goals, and application deadlines to ensure the programs are effective. KHC is the lead agency for the Balance of State Continuum of Care, encompassing 118 of Kentucky's 120 counties. All three of the state's Continuum of Care regions also coordinate and work across boundaries. KHC is currently undertaking an analysis of the service delivery gaps in the Balance of State Continuum of Care, which will be addressed by the institution of a coordinated entry system and performance-based funding allocation system.

HOPWA grantees are encouraged to participate in the CoC system where they may be more successful in combining housing and services with other providers whomay serve the same or similar populations. HOPWA Care Coordinator Regions have been established by the Cabinet for Health and Family Services.

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 throughout the state.

KHC and the Cabinet for Health and Family Services partner on numerous initiatives, allowing for focused programs that provide housing and services to youth aging out of foster care and persons with severe mental illness.

## **Provide a summary of the strategy for overcoming gaps in the institutional structure and service delivery system for carrying out a strategy to address priority needs**

KHC and DLG continue to undertake activities to strengthen partnerships and close gaps. These activities include, but are not limited to:

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.

## SP-45 Goals Summary – 91.315(a)(4)

### 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 Rehabilitation of Affordable Housing	HOME: \$15,000,000	Homeowner Housing Added: 310 Household Housing Unit  Homeowner Housing Rehabilitated: 20 Household Housing Unit
2	HOME Rental Assistance	2015	2019	Affordable Housing	Non-Entitlement Geographic Area	Rental Assistance	HOME: \$3,000,000	Tenant-based rental assistance / Rapid Rehousing: 1600 Households Assisted
3	HOME Multifamily Activities	2015	2019	Affordable Housing		Acquisition/Rehabilitation of Affordable Housing Production of New Affordable Housing Rehabilitation of Affordable Housing	HOME: \$25,000,000	Rental units constructed: 100 Household Housing Unit  Rental units rehabilitated: 100 Household Housing Unit

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
4	ESG Activities	2015	2019	Homeless	Non-Entitlement Geographic Area	Emergency/Transitional Housing For the Homeless Homelessness Outreach Homelessness Prevention Other Housing and/or Service Needs Rapid-Rehousing Rental Assistance	ESG: \$11,250,000	Homeless Person Overnight Shelter: 20000 Persons Assisted  Homelessness Prevention: 5000 Persons Assisted  Other: 8000 Other
5	HOPWA Activities	2015	2019	Non-Homeless Special Needs	Non-Entitlement Geographic Area	Other Housing and/or Service Needs Rental Assistance	HOPWA: \$2,500,000	Tenant-based rental assistance / Rapid Rehousing: 155 Households Assisted  Other: 945 Other
6	CDBG Housing	2015	2019	Affordable Housing	Non-Entitlement Geographic Area	Rehabilitation of Affordable Housing	CDBG: \$13,000,000	Homeowner Housing Rehabilitated: 194 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: \$5,000,000	Jobs created/retained: 938 Jobs  Businesses assisted: 26 Businesses Assisted
8	CDBG Public Facilities	2015	2019	Non-Housing Community Development	Non-Entitlement Geographic Area	Public Facilities	CDBG: \$10,000,000	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 157680 Persons Assisted
9	CDBG Services	2015	2019	Recovery Kentucky Services	Non-Entitlement Geographic Area	Public Services	CDBG: \$5,000,000	Public service activities other than Low/Moderate Income Housing Benefit: 5900 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: \$7,500,000	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 46922 Persons Assisted
11	HTF Multifamily Activities	2015	2019	Affordable Housing	Statewide	Acquisition/Rehabilitation of Affordable Housing Production of New Affordable Housing Rehabilitation of Affordable Housing	Housing Trust Fund: \$12,000,000	Rental units constructed: 8 Household Housing Unit  Rental units rehabilitated: 60 Household Housing Unit

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
12	COVID-19 Reponse	2019	2019	Homeless Non-Homeless Special Needs Non-Housing Community Development	Non-Entitlement Geographic Area Statewide	COVID-19 Response	CDBG-CV: \$32,552,334 ESG-CV: \$23,404,450 HOPWA-CV: \$129,762	Tenant-based rental assistance / Rapid Rehousing: 600 Households Assisted  Homelessness Prevention: 2000 Persons Assisted  Other: 1000 Other

Table 7 – Goals Summary

**Goal Descriptions**

1	<b>Goal Name</b>	HOME Homeowner Activities
	<b>Goal Description</b>	Down payment and first mortgage assistance; owner-occupied rehabilitation, owner-occupied new construction
2	<b>Goal Name</b>	HOME Rental Assistance
	<b>Goal Description</b>	Tenant-based rental assistance

3	<b>Goal Name</b>	HOME Multifamily Activities
	<b>Goal Description</b>	Rehabilitation of rental housing with or without acquisition; new construction
4	<b>Goal Name</b>	ESG Activities
	<b>Goal Description</b>	Emergency shelter facilities, rapid-rehousing, homeless prevention, and other eligible ESG program activities
5	<b>Goal Name</b>	HOPWA Activities
	<b>Goal Description</b>	Short Term Rental, Mortgage, and Utility assistance and services to allow persons with HIV/AIDs to retain housing. Tenant-based rental assistance to help clients obtain permanent housing. Supportive services to provide needed counseling assistance with child care, nutritional classes, etc.. Permanent housing placement to pay for first month's rent and deposits in order to obtain housing. Housing information services to assist clients with information needed to obtain housing.
6	<b>Goal Name</b>	CDBG Housing
	<b>Goal Description</b>	Assistance for construction, rehabilitation, or homebuyer assistance for single family and multifamily affordable housing.
7	<b>Goal Name</b>	CDBG Economic Development
	<b>Goal Description</b>	Economic Development
8	<b>Goal Name</b>	CDBG Public Facilities
	<b>Goal Description</b>	Eligible CDBG public facilities (i.e., Senior Centers)
9	<b>Goal Name</b>	CDBG Services
	<b>Goal Description</b>	Eligible CDBG public services for Recovery Kentucky

<b>10</b>	<b>Goal Name</b>	CDBG Public Improvements/Infrastructure
	<b>Goal Description</b>	Water, wastewater and drainage projects
<b>11</b>	<b>Goal Name</b>	HTF Multifamily Activities
	<b>Goal Description</b>	New construction or rehab of affordable rental properties.
<b>12</b>	<b>Goal Name</b>	COVID-19 Reponse
	<b>Goal Description</b>	Provide facilities and services in support of the pandemic response and economic recovery

**Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.315(b)(2)**

KHC and DLG expect to provide affordable housing to more than 3,000 extremely low-income, low-income, and moderate-income families over the next five years using the resources available under HOME, ESG, HOPWA, *NHTF*, and CDBG. Funding is expected to be awarded to projects in non-entitlement areas of the state unless KHC determines that a portion of funding is needed to supplement projects in entitlement areas.

## **SP-50 Public Housing Accessibility and Involvement – 91.315(c)**

### **Need to Increase the Number of Accessible Units (if Required by a Section 504 Voluntary Compliance Agreement)**

Not Applicable.

### **Activities to Increase Resident Involvements**

The Family Self-Sufficiency (FSS) Program, administered by KHC to Housing Choice Voucher program participants, 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.

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.

KHC's PHA Plan is available on with Web at <http://www.kyhousing.org/Rental/Pages/default.aspx>.

### **Is the public housing agency designated as troubled under 24 CFR part 902?**

N/A

### **Plan to remove the 'troubled' designation**

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.

## **SP-55 Barriers to affordable housing – 91.315(h)**

### **Barriers to Affordable Housing**

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.

### **Strategy to Remove or Ameliorate the Barriers to Affordable Housing**

On the state level, there are numerous examples of state agencies working in cooperation to reduce regulatory 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.

- Lack of a uniform landlord-tenant law statewide in Kentucky has been seen as an issue. Advocacy groups are working to enact a statewide law that would protect renters and landlords alike.

## **SP-60 Homelessness Strategy – 91.315(d)**

### **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 the Kentucky Interagency Council on Homelessness (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 and transitional housing needs of homeless persons**

KHC participates in HUD's Continuum of Care (CoC) programs and serves as the lead applicant in the annual CoC application for the Balance of State region. Kentucky's CoC process is a local or 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. In addition, the KICH works closely with members of the CoC to coordinate needs for emergency shelters and transitional housing units. Services are also coordinated through this process. Data is collected in the statewide Homeless Management Information System (HMIS) by agencies that provide housing and services through the continuum.

While the ESG funding application places a priority on rapid re-housing (RRH) programs serving both individuals and families with children, KHC is still allowing a 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 beneficial 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.

Focus 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 Rapid Rehousing (RRH) programs and by working with the CoC to identify agencies to apply for new 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 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. 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.

**Help low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families who are likely to become homeless after being discharged from a publicly funded institution or system of care, or who are receiving assistance from public and 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 during the first year of this plan 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.

## **SP-65 Lead based paint Hazards – 91.315(i)**

### **Actions to address LBP hazards and increase access to housing without LBP hazards**

Both KHC and DLG have a commitment to ensure that recipients of HOME, CDBG, 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. 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.

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.

### **How are the actions listed above integrated into housing policies and procedures?**

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.

KHC adopted an environmental assessment policy several years ago. KHC anticipates ongoing 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.

Funded applicants under the HOME, ESG and HOPWA programs receive formal training and individual technical assistance provided by staff. This technical assistance is available through the life of the project.

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.

## **SP-70 Anti-Poverty Strategy – 91.315(j)**

### **Jurisdiction Goals, Programs and Policies for reducing the number of Poverty-Level Families**

KHC and DLG provide 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 rental assistance to homeownership and housing financing programs. Self-sufficiency programs and services are also available. 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.

Supporting our Appalachian Region (SOAR) is a new initiative focused on assisting the poorest region of the state in overcoming poverty and providing opportunity. DLG and KHC are both participants in this initiative.

### **How are the Jurisdiction poverty reducing goals, programs, and policies coordinated with this affordable housing plan**

To meet the goal of raising the standard of living for all low-income individuals and families, DLG, KHC, and other state agencies are committed to assisting individuals in achieving employment; continuing adult education and post-secondary 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.

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 provide housing assistance to many programs that serve the lowest income level households to provide opportunities to reduce poverty.

Scholar House is a housing and education initiative that enables the head-of-household to reach self-sufficiency. The housing and education components are operated as one unit, with housing depending on the client's successful participation in the affiliated educational institution. Participants must be at least 18 years of age, be eligible for a Housing Choice Voucher, and be full-time students in a degree or specialty institution of higher learning. Single parents are given first priority. Program participants receive counseling, workshops, and support from neighbors and staff, while fulfilling academic or vocational training coursework as full-time students. Each development includes an on-site child care facility to allow time for the parents to attend classes and focus on their education.

Scholar House also offers programs that involve enhanced health maintenance, parenting skills, management of family resources, nutritional knowledge, problem solving, work skills, and job search techniques. Most of these services are free. Housing and childcare are based on the participant's income. Once residents have graduated from Scholar House, they are allowed ample time to find and move into permanent housing.

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

One component of the broader program is the Chafee Room and Board initiative. Through a contract with the Cabinet for Health and Human Services, KHC administers this initiative. Funds are available for rental assistance based on income, rental and utility security deposits, utility assistance in some cases, and a Household Setup Fund to help furnish the living space.

## **SP-80 Monitoring – 91.330**

**Describe the standards and procedures that the state will use to monitor activities carried out in furtherance of the plan and will use to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements**

KHC's Compliance Department conducts monitoring reviews on open HOME projects, and open ESG, and HOPWA projects. KHC reserves the right to conduct a compliance review at any time during the term of the HOME, ESG, and HOPWA funding agreements. KHC performs additional monitoring of HOME rental projects every one, two, or three years based on the number of units in the project.

Monitoring reviews cover quality of housing and services, financial statements, recordkeeping and files, and adherence to program policies and procedures as detailed in the regulations for each program (24 CFR Part 92 for HOME projects).

After the monitoring review, subrecipients receive a written response to any issues discovered during the review. These issues are divided into findings (issues which affect program regulations or federal laws) and observations (issues which do not). Subrecipients must respond in writing to all findings within a specified time frame, usually 30 days.

Multifamily projects funded with HOME funds are required to submit annual reports throughout the term of affordability. HOME recipients are also required to submit copies of their audited financial statements, conducted in accordance with the Single Audit Act, if they expend more than \$500,000 of federal funds in a fiscal year.

Each year, recipients of HOPWA and ESG funding are required to submit annual reports. They must also submit a copy of their annual report audit (if required) to the Audit staff. In addition to the formal compliance monitoring requirements, KHC program staff overseeing HOPWA and ESG funds will also conduct on-site technical assistance visits to sub-grantees. This will allow for one-on-one training of agency staff as well as allow KHC program staff to do a preliminary review of program policies and expenditures. As a second phase to the on-site technical assistance to the agencies, KHC HOPWA and ESG staff will also conduct random desk reviews of expenditure documentation prior to releasing requested funds. All HOPWA and ESG sub-grantees will have a minimum of one visit and one desk review during the term of their grant; however, KHC reserves the right to perform additional reviews of any program if concerns exist.

DLG is responsible for conducting monitoring review visits on funded CDBG projects. DLG reserves the right to conduct a compliance review at any time during the term of the CDBG grant. The depth and location of the monitoring will depend upon which compliance areas need to be reviewed at that particular point in a project's life cycle. However, a full scope monitoring of all compliance areas will be conducted at least once for each funded activity. The monitoring review includes acquisition and

relocation (if applicable), environmental, contracts, labor standards, fair housing compliance, and financial review.

After the monitoring review, grantees receive a written response to any issues discussed during the review. These issues will be divided into findings (issues which affect program regulations or federal laws) and recommendations (issues which do not). Grantees must respond in writing to all findings within a specified time frame.

CDBG recipients are also required to submit copies of their audited financial statements, conducted in accordance with the Single Audit Act, if they expend more than \$500,000 of federal funds in a fiscal year.

KHC employs a full-time staff member tasked with minority business outreach who travels extensively, reaching out to minority businesses and encouraging participation.