

# Strategic Plan

## SP-05 Overview

### Strategic Plan Overview

The strategic plan outlines Kentucky's plan for allocating HUD entitlement grants and identifies local priorities within the regional context. Having evaluated needs and resources in the areas of housing, homelessness, special needs, and non-housing community development, this section describes the state's strategy for addressing identified priority needs, using available and expected resources, over the five-year Consolidated Plan period. Informed by qualitative and quantitative data gathered through citizen participation and consultation with stakeholders throughout the region, market analysis, and an assessment of U.S. Census and other local data that reflect community needs, the strategic plan identifies the highest priority needs toward which to direct grant dollars. The following regional goals were identified to meet these high-priority needs (in no particular order or ranking):

- Goal 1: HOME Homeowner Activities. Increase production of new affordable housing and continue to support the rehabilitation and resale of affordable housing.
- Goal 2: HOME Rental Assistance. Increase access to affordable housing through rental assistance.
- Goal 3: HOME Multifamily Activities. Increase access to housing by creating or rehabilitating affordable rental housing for low-income individuals.
- Goal 4: ESG Activities. Improve a wide range of services and support for persons experiencing homelessness.
- Goal 5: HOPWA Activities. Improve housing assistance and related supportive services for low-income persons living with HIV/AIDS and their families.
- Goal 6: CDBG Housing. Expand access to affordable housing opportunities for persons of low- and moderate-income.
- Goal 7: CDBG Economic Development. Enhance economic stability and prosperity by increasing economic opportunities for residents through job creation, retention, and business assistance.
- Goal 8: CDBG Public Facilities. Improve quality of life through funding community projects and foster a revitalization of community structure.
- Goal 9: CDBG Services. Maintain funding to Recovery Kentucky programs.
- Goal 10: CDBG Public Improvements/Infrastructure. Increase quality of life including water/sewer improvements and flood drainage improvements.
- Goal 11: HTF Multifamily Activities. Increase access to affordable rental housing for extremely low-income and very low income households.

## 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. 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 via competitive applications. If deemed appropriate, KHC may discontinue allowing applications for multi-family development projects 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: 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. KHC intends to fund eligible applicants representing a broad geographic area in the state.

HOPWA: Eligible applicants are nonprofit agencies and local governments. KHC competitively allocates HOPWA Formula funding to organizations with experience serving persons with HIV/AIDS and their households in three-year cycles, proportionately allocating second- and third-year awards based on the first-year allocation. Application scoring takes into account the number of reported persons living with AIDS in the applicants' service area according to the Kentucky Department for Public Health, Division of Epidemiology and Health Planning. KHC awards funds with the goal of ensuring awardees' service areas cover all Kentucky counties not part of the Louisville Metro HOPWA service area. NOTE: The 2020 allocation of HOPWA formula funding will be awarded to current HOPWA subrecipients through a renewal process. KHC typically makes funds available every three years through a competitive application process. The last competitive application round was in 2017. Projects selected for funding in 2017 were eligible for renewal in 2018 and 2019. While 2020 would normally be a competition year, it will instead be a renewal year and KHC will hold a competition in 2021 instead. This will reduce the administrative burden on KHC and subrecipients during COVID-19 challenges, which will allow all entities more time to focus on CARES Act funding requirements. During the 2017 competition, applicants were reviewed based on project need and agency experience. 2020 funds will be distributed among the three current subrecipients based on current expenditure rates.

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.

## 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<br>Low<br>Large Families<br>Families with Children<br>Elderly<br>Individuals<br>Unaccompanied Youth<br>Persons with Physical Disabilities<br>Persons with Alcohol or Other Addictions<br>Other  |
|                       | <b>Geographic Areas Affected</b>   | Other   |
|                       | <b>Associated Goals</b>            | HOME Rental Assistance<br>Emergency Shelter Grant Activities<br>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>   |
| <b>Priority Level</b> |                                    | High  |
| <b>Population</b>     |                                    | Extremely Low<br>Low<br>Moderate  |

|          |                                    |   |
|----------|------------------------------------|---|
|          | <b>Geographic Areas Affected</b>   | Other   |
|          | <b>Associated Goals</b>            | HOME Homeowner Activities<br>HOME Multifamily Activities<br>CDBG Housing  |
|          | <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 the gap between affordable rental housing stock and availability continues to widen. 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<br>Low<br>Moderate  |
|          | <b>Geographic Areas Affected</b>   | Other   |
|          | <b>Associated Goals</b>            | HOME Homeowner Activities<br>HOME Multifamily Activities<br>CDBG Housing<br>Housing Trust Fund Multifamily Activities   |
|          | <b>Description</b>                 | Rehabilitation of existing affordable rental housing and owner-occupied housing.  |
|          | <b>Basis for Relative Priority</b> | Over the next 10 years, Kentucky is in danger of losing over 7,000 rental units; and nearly 5,200 public housing units are in need of investment or conversion. . There is a need to rehabilitated existing single-family housing stock for resale to low- and moderate-income homebuyersLack of energy efficiency directly contributes to housing cost burden.     |
| <b>4</b> | <b>Priority Need Name</b>          | Permanent Supportive Housing  |
|          | <b>Priority Level</b>              | High  |

|   |                                    |  |
|---|------------------------------------|--|
|   | <b>Population</b>                  | Extremely Low<br>Low<br>Families with Children<br>Chronic Homelessness<br>Chronic Substance Abuse<br>veterans<br>Persons with HIV/AIDS<br>Persons with Mental Disabilities<br>Persons with Physical Disabilities<br>Persons with Developmental Disabilities<br>Persons with Alcohol or Other Addictions<br>Persons with HIV/AIDS and their Families<br>Victims of Domestic Violence  |
|   | <b>Geographic Areas Affected</b>   | Other  |
|   | <b>Associated Goals</b>            | HOME Rental Assistance<br>HOME Multifamily Activities<br>Emergency Shelter Grant Activities<br>HOPWA Activities  |
|   | <b>Description</b>                 | Provision of permanent supportive housing with adequate support to ensure successful occupancy.  |
|   | <b>Basis for Relative Priority</b> | Permanent supportive housing is needed for vulnerable populations, including people with disabilities, people recovering from substance abuse, people with other health issues, persons who are chronically homeless, and individuals and families at risk of becoming homeless. The intent of such housing is to improve housing stability, empower residents to live independently, and to enable seniors to age in place. With vacancy at historically low levels and rents increasing, affordable rental housing is in high demand and difficult for low-income households to access. Tenant-based rental assistance and rapid re-housing resources ensure that low-income households, including households experiencing homelessness, can access rental housing and not be cost-burdened. |
| 5 | <b>Priority Need Name</b>          | Rapid-Rehousing  |
|   | <b>Priority Level</b>              | High   |

|   |                                    |  |
|---|------------------------------------|--|
|   | <b>Population</b>                  | Extremely Low<br>Low<br>Moderate<br>Families with Children<br>Rural<br>Chronic Homelessness<br>Individuals<br>Mentally Ill<br>Chronic Substance Abuse<br>veterans<br>Victims of Domestic Violence<br>Persons with Mental Disabilities<br>Persons with Physical Disabilities<br>Persons with Developmental Disabilities |
|   | <b>Geographic Areas Affected</b>   | Other  |
|   | <b>Associated Goals</b>            | Emergency Shelter Grant Activities   |
|   | <b>Description</b>                 | Assistance to rapidly re-house persons experiencing homelessness with supportive case management   |
|   | <b>Basis for Relative Priority</b> | In 2019, 1,570 households experienced homelessness in Kentucky. Data indicate that households that are re-housed rapidly have a higher housing success rate. Implementing Quick re-housing allows for reaching the target population, reduce barriers, and keeping participants engaged throughout lease-up.           |
| 6 | <b>Priority Need Name</b>          | Emergency Shelter  |
|   | <b>Priority Level</b>              | High   |

|   |                                    |  |
|---|------------------------------------|--|
|   | <b>Population</b>                  | Extremely Low<br>Low<br>Moderate<br>Large Families<br>Families with Children<br>Elderly<br>Chronic Homelessness<br>Chronic Substance Abuse<br>veterans<br>Persons with HIV/AIDS<br>Persons with Mental Disabilities<br>Persons with Physical Disabilities<br>Persons with Developmental Disabilities<br>Persons with Alcohol or Other Addictions<br>Persons with HIV/AIDS and their Families<br>Victims of Domestic Violence |
|   | <b>Geographic Areas Affected</b>   | Other  |
|   | <b>Associated Goals</b>            | Emergency Shelter Grant Activities   |
|   | <b>Description</b>                 | Provide quality emergency shelters for individuals and families experiencing homelessness with essential services for shelter residents; rapidly link shelter residents to permanent housing solutions.  |
|   | <b>Basis for Relative Priority</b> | Homeless data for FY19 revealed 2,221 persons experienced homelessness in Fiscal Year 2019 in the Kentucky Balance of State. To meet the needs of persons experience or at-risk of homelessness, emergency shelters are an essential first step in a crisis response system providing links to permanent housing solutions.  |
| 7 | <b>Priority Need Name</b>          | Homelessness Outreach  |
|   | <b>Priority Level</b>              | High   |

|          |                                    |  |
|----------|------------------------------------|--|
|          | <b>Population</b>                  | Extremely Low<br>Low<br>Rural<br>Chronic Homelessness<br>Individuals<br>Families with Children<br>Mentally Ill<br>Chronic Substance Abuse<br>veterans<br>Persons with HIV/AIDS<br>Victims of Domestic Violence<br>Unaccompanied Youth<br>Persons with Mental Disabilities<br>Persons with Physical Disabilities<br>Persons with Developmental Disabilities |
|          | <b>Geographic Areas Affected</b>   | Other  |
|          | <b>Associated Goals</b>            | Emergency Shelter Grant Activities   |
|          | <b>Description</b>                 | Outreach to persons experiencing homelessness  |
|          | <b>Basis for Relative Priority</b> | Identifying and assisting the persons who are unsheltered or a living in places unfit for human habitation and those experiencing chronic homelessness.  |
| <b>8</b> | <b>Priority Need Name</b>          | Prevention of Homelessness   |
|          | <b>Priority Level</b>              | High   |

|   |                                    |   |
|---|------------------------------------|---|
|   | <b>Population</b>                  | Extremely Low<br>Low<br>Moderate<br>Rural<br>Individuals<br>Families with Children<br>Mentally Ill<br>Chronic Substance Abuse<br>veterans<br>Persons with HIV/AIDS<br>Victims of Domestic Violence<br>Persons with Mental Disabilities<br>Persons with Physical Disabilities<br>Persons with Developmental Disabilities<br>Persons with HIV/AIDS and their Families |
|   | <b>Geographic Areas Affected</b>   | Other   |
|   | <b>Associated Goals</b>            | Emergency Shelter Grant Activities  |
|   | <b>Description</b>                 | Preventing families on the verge of homelessness from becoming literally homeless by providing housing-focused case management and/or housing assistance as necessary   |
|   | <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.  |
| 9 | <b>Priority Need Name</b>          | Homebuyer Rehabilitation and Development  |
|   | <b>Priority Level</b>              | High  |
|   | <b>Population</b>                  | Extremely Low<br>Low<br>Moderate  |
|   | <b>Geographic Areas Affected</b>   | Other   |
|   | <b>Associated Goals</b>            | HOME Homeowner Activities<br>CDBG Housing   |

|           |                                    |  |
|-----------|------------------------------------|--|
|           | <b>Description</b>                 | New construction and acquisition/rehabilitation/resale of single family housing units for sale to low- and moderate-income homebuyers. HOME lease/purchase acquisitions will also be permitted.  |
|           | <b>Basis for Relative Priority</b> | As outlined in the needs assessment, market analysis, and citizen and stakeholder feedback, there's a increasing need for additional affordable homeownership opportunities statewide. The development a of energy-efficient housing for low- and moderate-income homebuyers stabilizes families housing costs. Such homebuyer activities also reinvest in Kentucky neighborhoods and help increase home equity for neighboring homeowners. ousing and related housing services is especially high for extremely low income, low-income, and moderate-income population. |
| <b>10</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, Parks/Recreational Facilities, or Facilities for Special Needs Populations.   |
|           | <b>Basis for Relative Priority</b> | CDBG Funding is a major source of funds in the state for these facilities.   |
| <b>11</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>                 | CDBG Public Improvements/Infrastructure  |

|           |                                    |  |
|-----------|------------------------------------|--|
|           | <b>Basis for Relative Priority</b> | May include Water/Sewer Improvements and Flood Drainage Improvements                       |
| <b>12</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>13</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, activities that create or retain jobs or businesses.      |
|           | <b>Basis for Relative Priority</b> | Economic development is an important activity to revitalize communities.                   |
| <b>14</b> | <b>Priority Need Name</b>          | Other Housing and/or Service Needs   |
|           | <b>Priority Level</b>              | High   |

|                                    |   |
|------------------------------------|---|
| <b>Population</b>                  | Extremely Low<br>Low<br>Moderate<br>Large Families<br>Families with Children<br>Rural<br>Chronic Homelessness<br>Individuals<br>Mentally Ill<br>Chronic Substance Abuse<br>veterans<br>Persons with HIV/AIDS<br>Victims of Domestic Violence<br>Unaccompanied Youth<br>Persons with HIV/AIDS and their Families   |
| <b>Geographic Areas Affected</b>   | Other   |
| <b>Associated Goals</b>            | Emergency Shelter Grant Activities<br>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, housing-focused case management, and homelessness prevention, for persons experiencing or at risk of homelessness under ESG.   |
| <b>Basis for Relative Priority</b> | Persons with HIV/AIDS are need of housing supports to help them remain in their homes. Supportve serrvices,and case management are in high demand. In addition, street outreach and housing-focused case management provided to persons experiencing homelessness aids in moving them from unsheltered to sheltered. Homelessness prevention activities assist in stabilizing households before they become homeless. |

### Narrative (Optional)

KHC and DLG conducted an extensive needs assessment and consultation process that identified many priority needs across the state. The needs identified were reviewed both collectively and individually by the government agencies. Virtually all housing and community development needs were identified as important across the state. However, due to allocation of resources, each agency strategically funds particular activities to address all priority needs. In some cases, a priority need was identified but funding may not be addressed by both agencies combined.

The Priority Needs Summary Table assigns a “high” or “low” priority to each need, as prescribed by HUD. Generally, designating a need as “high priority” means that the jurisdiction plans to allocate funding to address it during the five-year consolidated plan period. A low priority need indicates that, while the need is a recognized priority, there may be insufficient funds to address it with Federal community development resources. To the extent community partners are able to assume these activities through other funding sources, the Plan would support them. Changes in the availability of resources may allow certain low priority needs to be funded, or, conversely, for high priority needs not to be funded. As conditions and resources available vary by jurisdiction, so does the level of priority attached to each need. A high or low priority designation is assigned to each priority need for each jurisdiction.

## 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 need 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 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                   | Across the state of Kentucky, there is a shortage of rental homes affordable and available to extremely low-, low-, moderate-income households. Preservation of housing affordable housing is most important for extremely low- and low-income households. There were 74 apartment or other units that were affordable and available for every 100 renter households with very low incomes. There's a shortage of -85,225 rental homes that are affordable and available for extremely low-income renters.  |
| Rehabilitation                        | There is a continuing need for owner- and rental-occupied rehabilitation based on feedback from stakeholders collected in the stakeholder survey and consultations.   |
| Acquisition, including preservation   | Many rental projects are nearing the end of their required affordability period, owners may wish to divest themselves of the housing, allow 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, estimates of program income and recaptured funds from prior years are included in each year's allocation plan. Please note there is no Program Income expected for CDBG, HOPWA, ESG, HTF, and "Other - RHP".

### 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<br>Admin and Planning<br>Economic Development<br>Housing<br>Public Improvements<br>Public Services | 26,514,357                       | 0                  | 0                        | 26,514,357 | 106,057,428                                      | DLG expects to provide funding to projects in non-entitlement areas of the state. Priorities including; CDBG Housing, Public Services, Economic Development, and Other Housing and/or Service Needs |

| 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<br>Homebuyer assistance<br>Homeowner rehab<br>Multifamily rental new construction<br>Multifamily rental rehab<br>New construction for ownership<br>TBRA | 13,850,006                       | 489,147            | 9,845,511                | 24,184,664 | 55,400,024                                       | Grant from U.S. Department of Housing and Urban Development to address affordable housing needs.                           |
| HOPWA   | public - federal | Permanent housing in facilities<br>Permanent housing placement<br>Short term or transitional housing facilities<br>STRMU<br>Supportive services<br>TBRA             | 891,658                          | 0                  | 0                        | 891,658    | 3,566,632  | Grant from U.S. Department of Housing and Urban Development dedicated to the housing needs of people living with HIV/AIDS. |

| 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<br>Financial Assistance<br>Overnight shelter<br>Rapid re-housing (rental assistance)<br>Rental Assistance Services<br>Transitional housing | 2,574,466                        | 0                  | 1                        | 2,574,467 | 10,297,864                                       | Grant from U.S. Department of Housing and Urban Development to address needs and services for persons experiencing homelessness or persons at risk of homelessness.                                    |
| HTF     | public - federal | Acquisition<br>Admin and Planning<br>Homebuyer assistance<br>Multifamily rental new construction<br>Multifamily rental rehab<br>New construction for ownership                           | 3,152,170                        | 0                  | 2,700,000                | 5,852,170 | 12,608,680                                       | 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. |

| Program | Source of Funds  | Uses of Funds | Expected Amount Available Year 1 |                    |                          |           | Expected Amount Available Remainder of ConPlan \$ | Narrative Description   |
|---------|------------------|---------------|----------------------------------|--------------------|--------------------------|-----------|---|---|
|         |                  |               | Annual Allocation: \$            | Program Income: \$ | Prior Year Resources: \$ | Total: \$ |   |   |
| Other   | public - federal | Other         | 1,116,000                        | 0                  | 0                        | 1,116,000 | 4,464,000   | Grant from U.S. Department of Housing and Urban Development to help individuals in recovery from a substance use disorder become stably housed. |

**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 enough matching funds.

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. Kentucky's CDBG Small Cities Small Program is fortunate that the majority of recipients contribute some amount of matching funds. Guidelines for the Recovery Housing program are in a development stage. Guidelines for the Recovery Housing Program (RHP) are in a developmental stage.

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

Cities and Counties may contribute public land to a CDBG project.

**Discussion**

Continued information about match requirements:

In general, CDBG applicants receive higher priority for funding if they provide matching funds. Kentucky's CDBG Small Cities Small Program is fortunate that the majority of recipients contribute some amount of matching funds. Guidelines for the Recovery Housing program are in a development stage.

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.

Finally, The Commonwealth of Kentucky adheres to the match requirements for CDBG, HOME and ESG. The match requirements by program are as follows:

- CDBG: After the first \$100,000, the Commonwealth matches, dollar for dollar, all eligible administrative expenses. CDBG administrative expenses for program year 20 are anticipated at \$895,430.
- HOME: HOME funds are used in conjunction with the Commonwealth's Affordable Housing Trust Fund Dollars, which are anticipated to be \$7,165,104 for program year 2020, exceeding the \$3,462,502 HOME match requirement.
- ESG: Funds are matched in an amount that equals the fiscal year grant amount for ESG. For program year 2020 the total ESG match is \$2,574,466.

These match practices will be continued through the duration of the 2020 to 2024 Consolidated Planning period.

KHC is the designated administrator of the federal Low-Income Housing Tax Credit (LIHTC) program, governed by Section 42 of the Internal Revenue Code of 1986, as amended (Code), and all Treasury regulations, for the Commonwealth of Kentucky. This program is coordinated with HOME and other funding, including state Affordable Housing Trust Fund, National 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.

Additional affordable housing and economic development programs are currently 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:

- Kentucky Small Business Development Centers
- Kentucky 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 CORP                                 | Government              | Homelessness<br>Non-homeless special needs<br>Ownership<br>Planning<br>Rental                         | State                  |
| KENTUCKY, COMMONWEALTH OF ( CDBG GRANT PAYMENTS ONLY) | Government              | Economic Development<br>Planning<br>neighborhood improvements<br>public facilities<br>public services | State                  |
| Kentucky Balance of State Continuum of Care           | Government              | Homelessness<br>Planning  | State                  |

**Table 5 - Institutional Delivery Structure**

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

KHC and DLG partner with 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 and social services 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.

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. 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                    |                             |
| Employment and Employment Training      | X                          | X                    |                             |
| Healthcare                              | X                          | X                    | X                           |
| HIV/AIDS                                | X                          | X                    | X                           |

| Supportive Services      |   |   |   |
|--------------------------|---|---|---|
| Life Skills              | X | X |   |
| Mental Health Counseling | X | X | X |
| Transportation           | X | X |   |
| Other                    |   |   |   |
|                          |   |   |   |

**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 Community Resource Guide. This guide is made available on KHC’s site to persons seeking assistance and to service agencies that provide assistance ([www.kyhousing.org](http://www.kyhousing.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 Care KY.

KHC serves as the collaborative applicant and lead agency for the Kentucky Balance of State Continuum of Care (KY BoS CoC), which includes 118 Kentucky counties. KHC also is the recipient of approximately 40 CoC grants, which it sub-grants to partners across the state or administers itself (e.g. HMIS). Working with the KY BoS CoC, KHC establishes scoring criteria for the CoC Competitive Application process that encourages projects to reallocate funds from transitional housing projects to permanent housing; adopt low barrier Housing First models that focus on quickly housing participants without setting preconditions such as participation in recovery programs or setting minimum income requirements that can keep people from getting off the streets and out of emergency shelters. As of 2018, 100 percent of the KY BoS CoC's CoC program-funded projects are using the Housing First model. The KY BoS CoC has also adopted CPD Notice 16-11, which establishes the order of prioritization for chronically homeless and persons with the highest needs. This prioritization order is used by PSH projects in the BoS regardless of if their beds are formally dedicated for chronically homeless. The KY BoS CoC, through the CoC and ESG programs, has significantly increased its inventory of Rapid Rehousing (RRH) resources, which is particularly help for families experiencing homelessness.

Permanent supportive housing (PSH) projects funded through the Continuum of Care (CoC) Program serve homeless individuals and families with documented disabilities. These projects are designed as part of the CoC strategy to promote the development of housing and supportive services to assist homeless persons in the transition from streets and shelters to permanent housing and maximum self-

sufficiency, especially persons experiencing chronic homelessness. The projects are renewable annually through the CoC application.

The KY BoS CoC has fully implemented its Coordinated Entry System, called Any Door Kentucky, which is designed to move people with the highest needs as quickly as possible into permanent housing or divert people from the homeless emergency response system entirely, if possible. Through coordinated entry, limited resources are used more effectively and collaboration with multiple organizations, including those not receiving federal funding, is enhanced.

The KY BoS CoC was selected as one of ten communities nationwide out of 130 applicants to participate in the first round of HUD's Youth Homeless Demonstration Program (YHDP). HUD awarded \$1.9 million to create a coordinated community plan to prevent and end homelessness among unaccompanied and parenting youth and fund demonstration projects serving youth in the eight-county Southeastern Kentucky Promise Zone. Funded activities include transitional crisis housing, rapid re-housing, and supportive services, including system navigation, with projects launched in late 2018. YHDP activities are guided by the Coordinated Community Plan to Prevent and End Youth Homelessness in the Southeastern Kentucky Promise Zone released on December 21, 2017.

Please refer to the Appendix in AD-25 for additional information.

**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 KY BoS CoC, encompassing 118 of Kentucky's 120 counties. All three of the state's CoC regions (Balance of State, Lexington, and Louisville) also coordinate and work across boundaries. The KY BoS CoC has fully implemented its Coordinated Entry System, called Any Door Kentucky, which is designed to move people with the highest needs as quickly as possible into permanent housing or divert people from the homeless emergency response system entirely, if possible. Through coordinated entry, limited resources are used more effectively and collaboration with multiple organizations, including those not receiving federal funding, is enhanced.

The Kentucky Coalition Against Domestic Violence and its member agencies are essential partners of all three CoCs in Kentucky and serve persons experiencing homelessness who are survivors of domestic violence. The CoCs also partner with Community Mental Health Centers, who provide Projects for Assistance in Transition from Homelessness (PATH) services and Assertive Community Treatment (ACT) teams under the leadership of the Department for Behavioral Health, Developmental and Intellectual Disabilities.

Homeless services providers also partner with the US Department of Veterans Affairs to link veterans experiencing homelessness to Supportive Services for Veteran Families (SSVF) and Veterans Affairs

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

KHC and the Cabinet for Health and Family Services partner on the Olmstead Housing Initiative, which provides housing and services to persons with severe mental illness. The Cabinet for Health and Family Services also provides housing and services to youth aging out of foster care via the Chafee Room and Board program.

**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 KY BoS CoC Advisory Board, made up of 17 representatives from across the state and of a cross-section of homeless and special needs service providers, a representative who is experiencing homelessness or has previously done so, and at-large representatives that do not receive CoC or ESG funding, will continue to be a pivotal link to the KY BoS CoC and the larger services community.

The Kentucky Interagency Council on Homelessness (KICH) is composed of representation from state government, nonprofit and advocacy agencies and consists of the following members: the secretary of the Cabinet for Health and Family Services; the executive director of the Homeless and Housing Coalition of Kentucky; the chief executive officer of the Kentucky Housing Corporation; the commissioner of the Kentucky Department of Veterans' Affairs; the secretary of the Justice and Public Safety Cabinet; the secretary of the Education and Workforce Development Cabinet; the secretary of the Transportation Cabinet; the executive director of the Administrative Office of the Courts; the state budget director; a representative from the Kentucky Housing Association, representing public housing authorities, appointed by the Governor for a two (2) year term; and an individual who has previously experienced homelessness and addiction, appointed by the Governor for a two (2) year term. The KICH Steering Committee consists of representatives of the Executive Committee, state government agencies, homeless advocates, and service providers representing all three CoCs in Kentucky. The KICH Steering Committee led the effort to release My New Kentucky Home: An Update of Kentucky's Strategic Plan to End Homelessness in November 2018.

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 Kentucky Department of Correction Division of Reentry Services works to ensure those convicted of criminal offenses complete their sentences a successful reintegrate into society beginning with the first day of incarceration or supervision. The Division focuses on forming community partnerships that provide resources to assist the justice-involved population with barriers. The Division coordinates eleven regional reentry councils across the state to help coordinate reentry services. Reentry Council membership typically includes local, state, and federal government representatives, as well as employment, housing and counseling service providers from both profit and non-profit organizations.

KHC and the state's Department for Behavioral Health, Developmental and Intellectual Disabilities 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.

Please refer to the Appendix in AD-25 for additional information.

## 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 | 2020       | 2024     | Affordable Housing | Non-Entitlement Geographic Area | Production of New Affordable Housing<br>Rehabilitation of Affordable Housing<br>Homebuyer Rehabilitation and Development |         | Homeowner Housing Added: 225 Household Housing Unit<br><br>Homeowner Housing Rehabilitated: 25 Household Housing Unit |
| 2          | HOME Rental Assistance    | 2020       | 2024     | Affordable Housing | Non-Entitlement Geographic Area | Rental Assistance<br>Permanent Supportive Housing  |         | Tenant-based rental assistance / Rapid Rehousing: 1200 Households Assisted  |

| Sort Order | Goal Name                          | Start Year | End Year | Category           | Geographic Area                 | Needs Addressed  | Funding | Goal Outcome Indicator   |
|------------|------------------------------------|------------|----------|--------------------|---------------------------------|--|---------|--|
| 3          | HOME Multifamily Activities        | 2020       | 2024     | Affordable Housing | Non-Entitlement Geographic Area | Production of New Affordable Housing<br>Rehabilitation of Affordable Housing<br>Permanent Supportive Housing   |         | Rental units constructed:<br>120 Household Housing Unit<br><br>Rental units rehabilitated:<br>100 Household Housing Unit   |
| 4          | Emergency Shelter Grant Activities | 2020       | 2024     | Homeless           | Non-Entitlement Geographic Area | Rental Assistance<br>Permanent Supportive Housing<br>Rapid-Rehousing<br>Emergency Shelter<br>Homelessness Outreach<br>Prevention of Homelessness<br>Other Housing and/or Service Needs |         | Tenant-based rental assistance / Rapid Rehousing:<br>4250 Households Assisted<br><br>Homeless Person Overnight Shelter:<br>21000 Persons Assisted<br><br>Homelessness Prevention:<br>2500 Persons Assisted |

| Sort Order | Goal Name                 | Start Year | End Year | Category                          | Geographic Area                 | Needs Addressed  | Funding | Goal Outcome Indicator   |
|------------|---------------------------|------------|----------|-----------------------------------|---------------------------------|--|---------|--|
| 5          | HOPWA Activities          | 2020       | 2024     | Non-Homeless Special Needs        | Non-Entitlement Geographic Area | Rental Assistance<br>Permanent Supportive Housing<br>Other Housing and/or Service Needs                                  |         | Tenant-based rental assistance / Rapid Rehousing: 175 Households Assisted<br><br>Other: 1800 Other |
| 6          | CDBG Housing              | 2020       | 2024     | Affordable Housing                | Non-Entitlement Geographic Area | Production of New Affordable Housing<br>Rehabilitation of Affordable Housing<br>Homebuyer Rehabilitation and Development |         | Homeowner Housing Rehabilitated: 150 Household Housing Unit  |
| 7          | CDBG Economic Development | 2020       | 2024     | Non-Housing Community Development | Non-Entitlement Geographic Area | Economic Development   |         | Businesses assisted: 35 Businesses Assisted  |
| 8          | CDBG Public Facilities    | 2020       | 2024     | Non-Housing Community Development | Non-Entitlement Geographic Area | Public Facilities  |         | Other: 175000 Other  |
| 9          | CDBG Services             | 2020       | 2024     | Recovery Kentucky Services        | Non-Entitlement Geographic Area | Public Services  |         | Other: 5500 Other  |

| Sort Order | Goal Name                                 | Start Year | End Year | Category                          | Geographic Area                 | Needs Addressed                      | Funding | Goal Outcome Indicator                                    |
|------------|---|------------|----------|-----------------------------------|---------------------------------|--------------------------------------|---------|---|
| 10         | CDBG Public Improvements/Infrastructure   | 2020       | 2024     | Non-Housing Community Development | Non-Entitlement Geographic Area | Public Improvements/Infrastructure   |         | Other:<br>150000 Other                                    |
| 11         | Housing Trust Fund Multifamily Activities | 2020       | 2024     | Non-Housing Community Development | Statewide                       | Rehabilitation of Affordable Housing |         | Rental units rehabilitated:<br>120 Household Housing Unit |

**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>        | Emergency Shelter Grant 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 childcare, 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> | Enhance economic stability and prosperity by increasing economic opportunities for residents through job creation and other strategies to assist businesses.  |
| 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   |
| 10 | <b>Goal Name</b>        | CDBG Public Improvements/Infrastructure   |
|    | <b>Goal Description</b> | Water, wastewater and drainage projects   |

|    |                         |  |
|----|-------------------------|--|
| 11 | <b>Goal Name</b>        | Housing Trust Fund Multifamily Activities                  |
|    | <b>Goal Description</b> | New construction or rehab of affordable rental properties. |

**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.

Annually, KHC and DLG expect to help the following:

- ESG: 600 persons; 600 ELI persons; 600 homeless persons
- HOPWA STRMU and TBRA: 200 households; 150 ELI households; 50 LI households; 10 homeless households
- HOME TBRA: 400 households; 135 ELI households; 275 LI households; 5 homeless households
- HOME Single Family Development: 80 households; 1 ELI household; 79 LI households
- HOME Rental: 25 ELI households; 195 LI households
- HTF Rental: 120 households

## **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 objective 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.

### **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**

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

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

#### **Barriers:**

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

#### **Strategies to Ameliorate:**

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

- Down Payment Closing Cost Assistance Program and the Homebuyer Loan Program for income-eligible homebuyers. Evaluate a preference for low- and moderate-homeowners in neighborhoods at risk for displacement due to gentrification
- Homeowner Rehab Program and the Weatherization Assistance Program to preserve the existing affordable housing inventory and lower homeowner costs. Evaluate a preference for low- and moderate-homeowners in neighborhoods at risk for displacement due to gentrification
- Advocate for affordable housing resources among local, State, and Congressional delegations
- Tenant-based and Project-based Rental Assistance Programs to ensure affordable rental assistance for protected classes across the Commonwealth, including assistance to individuals with disabilities and/or recovering from substance abuse
- Seek Continuum of Care funding for rapid-rehousing and permanent supportive housing developments that provide affordable housing options and related services
- Evaluate tools and methods to connect people to housing, such as housing service locator tools

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

Action steps to remove or ameliorate the barriers to affordable housing are listed above. Other strategies related to market conditions are included in the recommendations in such recent housing needs assessment and planning documents.

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

- The Recovery Kentucky program is an example of state agencies working together to remove barriers that unintentionally arise because of compartmentalization.
- The Division for Reentry Services in the Department of Corrections 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) updated Kentucky's Plan to End Homelessness in 2018.. 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**

As stated in the Kentucky Balance of State Continuum of Care Governance Charter, “The KY BOS CoC is organized for the purpose of:

1. Coordinating the delivery of services and housing to homeless or near-homeless persons;
2. Providing consistent reporting, outcomes and performance measurements for the various homeless service delivery systems;
3. Identifying gaps in services and maximizing resources for the populations most in need in the geographic area.

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 KY BoS 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.

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**

While connecting people experiencing homelessness with stable, permanent housing is the goal of the KY BoS CoC’s efforts, crisis housing through the provision of emergency shelter and transitional housing remains an essential component to the CoC’s crisis response system.

KHC provides funding to more than 20 emergency shelters each year to support shelter operations (e.g., shelter maintenance, repairs, rent, insurance) and supportive services, which includes case management services to connect participants as quickly as possible to permanent housing.

In addition to the emergency shelters funded through ESG, the CoC has established relationships with more than 50 non-funded shelters across the Balance of State. These shelters participate in the annual

point-in-time count an are offered training opportunities provided by KHC on shelter best practices. Non-funded shelters are also encouraged to participated in the CoC's Coordinated Entry System in order to connect participants with housing resources funded through the CoC, ESG, VA Supportive Services for Veteran Families (SSVG), and the U.S. Department of Health and Family Services Runaway and Homeless Youth (RHY) programs.

In recent ESG funding rounds, KHC has allocated additional funding to Street Outreach in order to better identify people experiencing unsheltered homelessness and connect them with shelter while permanent housing is obtained. The CoC also partners with street outreach programs provided through the VA and PATH.

Shelters are strongly encouraged to reduce barriers to shelter entry (e.g., broad background checks, sobriety, having income) and to eliminate unnecessary rules for staying in the shelter. Shelters have been provided training through the National Alliance to End Homelessness (NAEH) Emergency Shelter Learning Series as well as free in-person and virtual housing-focused case management training provided through national technical assistance providers.

Please see the continuation of this narrative in the Appendix in AD-25.

**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 and PSH 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 assistance for veterans. In addition, service providers are being linked with organizations serving veterans, both private (local SSVF programs) and public (VA Service Centers). With fourteen VASH programs and five 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 persons experiencing chronic homelessness. The CoC's Coordinated Entry System (CES) policies require people experiencing chronic homelessness to be priorities for permanent housing resources. Youth between the ages of 18-24 are assessed using the Transition Age Youth assessment tool (TAY-VISPDAT), which takes into consideration unique needs of youth.

Activities planned for the coming years 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 permanent supportive housing for homeless persons.

Payment of maintenance, operation, rent, repair, security, equipment, insurance, utilities and furnishings of permanent housing. KHC is also partnering with HUD to take steps to end veteran homelessness in Kentucky.

Please see the continuation of this narrative in the Appendix in AD-25.

**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.

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.

Discharge planning efforts from health-care facilities in Kentucky takes place according to the healthcare 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.

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.

Please see the Appendix in AD-25 for the continuation of this narrative.

## **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.

While lead-based paint was banned in 1978 by the U.S. Consumer Product Safety Commission (CPSC), it is still a significant presence in older units constructed prior to 1980.

As indicated in the Housing Market Analysis section, of over 882,874 households under 80 percent of AMI in the US with children under 6, there are roughly 369,966 households with children living in these older homes.

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) and/or Uniform Physical Conditions Standards (UPCS) 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.

### **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, childcare 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, administered by the Cabinet for Health and Family Services in partnership with the Community Action Council for Lexington-Fayette, Bourbon, Harrison and Nicholas Counties. 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 Housing Contract Administration and Multifamily Asset Compliance departments conduct monitoring reviews on open HOME 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.