

# Executive Summary

## ES-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

### 1. Introduction

The Commonwealth of Kentucky 2025-2029 Consolidated Housing and Community Development Plan (Consolidated Plan) guides the investment of federal housing and community development funds. The Consolidated Plan is a requirement of the U.S. Department of Housing and Urban Development (HUD), through which the state receives an annual entitlement of the following grants: Community Development Block Grant (CDBG), the HOME Investment Partnerships (HOME) Program, the Emergency Solutions Grant Program (ESG), the Housing Trust Fund (HTF) Program, and the Housing Opportunities for Persons with AIDS (HOPWA) Program.

The Consolidated Plan includes the non-entitlement areas of the State of Kentucky. The entitlement grants are allocated to the state to address housing, homelessness, and community development needs throughout the Commonwealth over the next five years. Its primary focus is the provision of decent, safe, affordable housing, suitable living environment, economic opportunities and providing emergency solutions to the extremely low- and low-moderate income persons and families, including the unhoused and vulnerable populations within the Commonwealth.

Listed below are the sections of the Consolidated Plan.

- The Process describes the consultation and citizen participation process undertaken to collect information from residents and stakeholders on community conditions and needs.
- The Needs Assessment analyzes needs related to affordable housing, special needs housing, community development, and homelessness.
- The Market Analysis examines demographics, the supply of affordable units, the regional housing market, and other conditions that impact community needs and the programs that address these needs.
- The Strategic Plan identifies specific goals for each jurisdiction based on the highest priority needs informed by the Needs Assessment, Market Analysis, and extensive consultation with community groups and citizens.

The plan also includes the first year (2025-2026) Annual Action Plan for the Commonwealth of Kentucky, which describes the planned investment of federal resources to implement specific activities that meet the year's strategic goals.

### 2. Summary of the objectives and outcomes identified in the Plan Needs Assessment Overview

The primary objective of HUD's Entitlement Programs is to develop viable communities through the provision of decent housing, a suitable living environment, and expanded economic opportunities. The State of Kentucky intends to use its funds to further eleven primary goals.

- **Goal 1:** HOME Homeowner Activities. Increase the production of new affordable housing and continue to support the rehabilitation and resale of affordable housing.
- **Goal 2:** HOME Tenant Based 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 supportive services and permanent housing opportunities 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 the quality of life through funding community projects and foster revitalization of community structure.
- **Goal 9:** CDBG Public Services. Maintain funding to Recovery Kentucky programs.
- **Goal 10:** CDBG Public Improvements/Infrastructure. Increase the quality of life including water and 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.

### **3. Evaluation of past performance**

Listed below are the accomplishments made towards Kentucky's 2020-2024 goals and the percentage of the goal that has been completed, as outlined in the 2023 Consolidated Annual Performance and Evaluation Report (CAPER).

#### **CDBG**

- 14 businesses assisted (53.85 percent)
- 88 homeowner housing rehabilitated (45.36 percent)
- 43,964 other (public facilities) (46.74 percent)
- 29,740 other (public improvements/infrastructure) (46.74 percent)
- 7,107 other (services) (129.22 percent)

#### **ESG**

- 2,105 households assisted with tenant-based rental assistance (TBRA) and rapid rehousing (RRH) (49.53 percent)
- 14,563 persons assisted in homeless person overnight shelter (69.35 percent)
- 848 persons assisted with homelessness prevention (33.92 percent)

#### **HOME**

- 113 homeowner housing units added (50.22 percent)
- 16 homeowner housing units rehabilitated (64 percent)

- 31 rental units constructed (31 percent)
- 81 rental units rehabilitated (81 percent)
- 1,676 households assisted with TBRA/RRH (139.67 percent)

#### HOPWA

- 1,969 other HOPWA activities (109.39 percent)
- 211 households assisted with TBRA/RRH (120.57 percent)

#### HTF

- 0 rental units constructed (0 percent)
- 70 rental units rehabilitated (58.33 percent)

#### **4. Summary of citizen participation process and consultation process**

The Consolidated Plan was developed through extensive consultation with the Commonwealth of Kentucky's partner organizations and other stakeholders, as well as broad input from community members. Intergovernmental departments, affordable housing providers, advocates and other key community stakeholders played an integral role. The Consolidated Plan was also informed by information gathered from several recently published reports and statewide housing, community, and economic development services that inform current conditions and projected outcomes for various sectors that will impact the community. Service providers shared their insights through participation in the virtual stakeholder sessions and an online survey.

##### Summary from outreach and consultations

The common needs that were mostly cited as part of the 2025-2029 Consolidated Plan outreach and consultations include the following:

##### Affordable Housing

- A need for adequate funding at federal and state levels to develop more affordable housing and provide more rental assistance.
- A need for adequate supply of quality, affordable housing to meet the demand in urban and rural areas.
- Support for affordable housing from local, regional and state officials.
- A need for affordable housing accessible to people with disabilities.
- A need for policy updates to streamline the development process.

##### Infrastructure and Public Transportation

- Affordable transportation, including public transit with frequent service, for second and third shift workers.
- Transportation for veterans living in rural areas to access VA services.

##### Homelessness

- A need for more supportive services surrounding childcare, transportation, substance abuse and mental health for the unhoused and most vulnerable population.

##### Hazard Mitigation and Broadband

- A need to focus on resiliency from natural disasters when considering projects.
- A need to expand broadband connectivity to Eastern Kentucky.

## **5. Summary of public comments**

Comments were received during the Public Hearing on June 3, 2025, and during the 30-day public display period of the Consolidated Plan and Annual Action Plan.

There were five guest attendees at the Public Hearing. Jackie Weiss (FAHE) said that FAHE would provide written comments later. Renita Rosa (The Housing Partnership) asked if 40% of 3.1 M NHTF funding would be prioritized for rural development and why only a small percentage of CDBG funding is allocated for housing despite the current housing shortage.

During the 30-day public display period, FAHE did provide feedback and input on the document. See AD-25, Administration, Citizen Participation Comments, for the letter received from FAHE.

## **6. Summary of comments or views not accepted and the reasons for not accepting them**

All comments were accepted and included in this document.

## **7. Summary**

The Consolidated Plan provides an overview of housing and community development needs in Kentucky. Listed below are the key takeaways synthesized from the data analysis and outreach process.

### Housing Needs Assessment

- Kentucky's shortage of available housing units for rent and for purchase is driving up housing costs and cost burdens. A 2024 KY Housing Supply Gap Analysis found the Commonwealth currently needs over 206,000 more units to serve all income levels. Kentucky needs more housing development, particularly for households earning below 80% AMI.
- Housing costs for many individuals and households have increased over the past several years for both renter and homeowner housing units. For many, incomes have not increased as quickly. As a result, housing has become less affordable.
- The most common issues for renter and owner households are housing cost burden (spending more than 30 percent of income on housing costs) and severe housing cost burden (spending more than 50 percent of income on housing costs).

### Housing Problems

- Renters are more likely to have one or more of the four severe housing problems in each of the income categories. 23 percent of all renters' experience one or more of the housing problems listed.
- Elderly households and certain racial or ethnic groups, including Black, Asian, Hispanic, and Pacific Islander (note: there is a very small sample size of Pacific Islander households) households are more affected by housing problems than other community residents.

### Homeless Needs Assessment

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Homeless Management Information System (HMIS) data indicates more households entered homelessness in 2024 than households who exited homelessness.

- Special populations, including people with disabilities and veterans, require additional, specialized supportive services to maintain permanent housing.
- From 2020 to 2024, unsheltered homelessness increased faster than sheltered homelessness.
- Kentucky needs more units affordable to extremely low-income residents including permanent supportive housing (PSH).

### NonHomeless Special Needs Assessment

- Mental and behavioral health services are needed as an accompaniment to housing to ensure special populations have the necessary resources to stay housed.
- There is a need for accessible housing options and supportive services for people with disabilities and seniors.
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## **Add summary text 2**

Service providers must expand the scope and scale of services to fully meet the needs of the population.

### NonHousing Community Development Needs

- Community centers and public services for specific groups, particularly seniors, people with a disability, and people with mental health and substance use disorder challenges.
- Connectivity and accessibility in transportation, streetscapes, broadband.
- Infrastructure improvements to support new housing development: roads, water, sewer, utilities, amenities, etc.

### Housing Condition and Availability

- There exists a profound gap in the supply of income-aligned housing in Kentucky felt by households at the lowest income levels.
- There is a further need for accessible affordable housing units for people with disabilities, including more PSH units serving those with a history of homelessness.
- As household formation and housing needs increase and developments with assisted units expire in the coming decades, Kentucky will experience even greater demand for affordable housing units.
- With a large portion of Kentucky households living in a unit built prior to 1980, there is a need to inspect and rehabilitate units with structural or health concerns.
- Low- and moderate-income households tend to live in older, more naturally affordable units, which puts them at a greater risk of housing problems.
- Rehabilitation is needed to ensure an adequate supply of accessible units.

### Housing Affordability and Cost

- Increasing housing costs, coupled with the increased cost of other necessities including food, childcare, insurance, and transportation, place considerable financial pressure on households across the state, particularly for low- to moderate-income households.
- The continued rise in rents and home values may further exacerbate existing affordability and

availability issues in the coming five years.

#### Shelter Facilities and Services

- There is a need for more accessible shelter space for people with disabilities and seniors.
- Stakeholders note they are seeing an increased demand for housing and supportive services that outpaces provider capacity.

#### Economic Development

- Gaps in affordable housing, transportation, and knowledge of existing opportunities serve as a barrier to low- and moderate-income people obtaining and maintaining employment.
- Special populations, particularly low-income people and people with disabilities, may need tailored economic development services.
- Federal, state, and private investments in economic development provide opportunities for low- and moderate-income people to engage and advance in the workforce.

#### Broadband

- Digital equity gaps, particularly in Eastern Kentucky, serve as a barrier to low- and moderate-income people accessing needed resources and opportunities.

#### Natural Hazards

- After recent disaster events, there is a need to ensure communities can recover and rehabilitate housing and infrastructure and ensure resiliency for future disaster events.