

# Housing Market Analysis

## MA-05 Overview

### Housing Market Analysis Overview:

The Housing Market Analysis describes the landscape in which KHC and DLG administer its programs by identifying the housing market, economic, and community development factors impacting low- and moderate-income people and communities in Kentucky.

The Market Analysis is comprised of ten sections:

- Number of Housing Units
- Cost of Housing
- Condition of Housing
- Homeless Facilities and Services
- Special Needs Facilities
- Barriers to Affordable Housing
- Non-Housing and Community Development Assets
- Needs and Market Analysis Discussion
- Broadband Needs of Housing
- Hazard Mitigation

Like the Needs Assessment, the Market Analysis utilizes two primary data sources: data from the 2018-2022 ACS and 2016-2020 CHAS. These are the most recent versions of the data sets available at the time of drafting. This section also summarizes information from other existing reports, studies, and plans as well as input from the stakeholder survey, community survey, and consultation sessions to better understand recent trends impacting the region. Phase I and Phase II of the Housing Supply Gap Analysis was also a primary source of background information.

Key Themes from the Market Analysis:

Listed below are the major trends KHC and DLG identified as impacting low- and moderate-income households.

#### Housing Condition and Availability

- There exists a profound gap in the supply of affordable housing in Kentucky, which is felt particularly by the lowest income levels.
- There is a further need for accessible affordable housing units for people with disabilities.
- As population 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 possibly 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.

## **Add text**

### Housing Affordability and Cost

- Increasing housing costs, coupled with the increased cost of other necessities including food, childcare, 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 that even with these services, they are seeing an increased demand for housing and supportive services that oftentimes 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 an identified need to ensure communities can recover and rehabilitate housing and infrastructure and also ensure resiliency for future disaster events.

## MA-10 Number of Housing Units – 91.210(a)&(b)(2)

### Introduction

The MA-10 Housing Market Analysis: Number of Housing Units provides insight into the number and characteristics of housing assisted and non-assisted housing units. Assisted units are properties that receive public funding, such as Section 8 or Low-Income Housing Tax Credits, to support low- and moderate-income housing needs. Non-assisted housing units do not receive such assistance.

Phase I and Phase II of the Housing Supply Gap Analysis, echoed by stakeholders, substantiates a lack of affordable housing units available for low- and moderate-income households. Stakeholders emphasized the lack of accessible units available in the current affordable housing portfolio as a barrier to housing for seniors and people with disabilities.

### All residential properties by number of units

Property Type	Number	%
1-unit detached structure	1,319,859	67%
1-unit, attached structure	49,201	3%
2-4 units	142,017	7%
5-19 units	157,874	8%
20 or more units	59,445	3%
Mobile Home, boat, RV, van, etc	236,806	12%
<b>Total</b>	<b>1,965,202</b>	<b>100%</b>

**Table 1 – Residential Properties by Unit Number**

Data Source: 2016-2020 ACS

Property Type	Number	%
1-unit detached structure	1,354,889	68%
1-unit attached structure	54,475	3%
2-4 units	141,675	7%
5-19 units	159,955	8%
20 or more units	67,958	3%
Mobile home, boat, RV, van, etc.	220,250	11%
Total	1,999,202	100%

Data Source: 2016-2020 ACS

### Residential Properties by Unit Number

## Unit Size by Tenure

	Owners		Renters	
	Number	%	Number	%
No bedroom	3,096	0%	18,410	3%
1 bedroom	20,046	2%	114,364	20%
2 bedrooms	203,337	18%	232,260	41%
3 or more bedrooms	929,097	80%	203,904	36%
<b>Total</b>	<b>1,155,576</b>	<b>100%</b>	<b>568,938</b>	<b>100%</b>

**Table 2 – Unit Size by Tenure**

Data Source: 2016-2020 ACS

Number of Bedrooms	Owners (#)	Owners (%)	Renters (#)	Renters (%)
No bedroom	3,133	0%	21,039	4%
One bedroom	19,490	2%	116,161	21%
Two bedrooms	196,322	16%	229,504	41%
Three or more bedrooms	986,122	82%	197,331	35%
Total	1,205,067	100%	564,035	100%

Data Source: 2016-2020 ACS

## Unit Size by Tenure

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

While it is difficult to capture the total number and targeting of assisted units in the State of Kentucky, two data sources provide insight into affordable rental housing in the state. Data from KHC obtained in October 2024 from the National Housing Preservation Database reports that the agency manages 86,001 units of assisted housing in their area of operation.

KHC also maintains a list of affordable rental housing in the entire state. This list was last updated in June 2024 and does not constitute a complete inventory of assisted rental housing in the state.

However, the list does provide information on targeting and program types.

The list includes 1,647 projects, 385 of which are reserved for families. Seven projects are for special populations and 10 projects are transitional housing.

There are 106,578 total units included in the list, 20 percent (21,572 units) are targeted to elderly households and 4.5 percent (4,901 units) are accessible.

Stakeholders noted both in consultation sessions and the survey the lack of affordable, accessible units.

Given only four percent of assisted units in Kentucky are accessible, this indicated a need in the community.

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

According to the National Housing Preservation Database, 5,120 assisted units have affordability restrictions that expire in 2028 or earlier and may be lost to the private market. Many more units have expiration dates in the coming two decades.

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

The availability of housing units does not currently meet the needs of the population. As outlined in the 2024 Housing Supply Gap Analysis Phase I report, the State of Kentucky has an overall housing gap of 206,207 units. The report describes that both renter and owner households face similar levels of housing availability. However, income levels experience the housing gap in distinct ways. In 2024, 38.7 percent of statewide housing gap consisted of a lack of units affordable to extremely low-income households. Low-income households comprised 16.2 percent of the housing gap, while moderate-income household comprised 15.4 percent of the housing gap. This totals 144,969 units needed to support the housing needs of low- to moderate-income households in Kentucky. Due to the lack of available, affordable units, many households reside in units unaffordable to them.

In addition, KHC expects the housing supply gap to continue to worsen in the next five years. According the 2024 Housing Supply Gap Analysis Phase II report, it is expected that in 2029, the deficit of affordable housing will climb 39.2 percent to a total shortfall of 287,120 units. The housing gap for extremely low-income households is expected to increase by 21,171 units. The report suggests that the primary driver of the increase in housing gap will be the consistent presence of severe housing cost burden.

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

The stakeholder survey asked respondents which types of housing are the most needed in Kentucky. Listed below are the three most common responses.

- Rental housing affordable to low- and moderate-income households.
- PSH.
- Homeowner units affordable to low- and moderate-income households.

In addition, stakeholders noted throughout consultation sessions that there is a need for accessible units near transportation and job sites.

**Discussion**

KHC and DLG identify the key themes from this section to be as follows:

- There exists a profound gap in the supply of affordable housing in Kentucky, which is felt particularly by the lowest income levels.
- There is a further need for accessible affordable housing units for people with disabilities.

- As population and housing needs increase and developments with assisted units expire in the coming decades, Kentucky will experience even greater demand for affordable housing units.

## MA-15 Housing Market Analysis: Cost of Housing - 91.210(a)

### Introduction

The MA-15 Housing Market Analysis: Cost of Housing section of the Consolidated Plan explores the cost of housing and characteristics of the rental market in Kentucky, which provides context into the nature of housing cost burden and affordability experienced by residents. Data on the cost of housing is provided by ACS estimates (various years) and 2016-2020 CHAS.

Housing prices have increased significantly statewide in the past 10 years. Median home values in Kentucky grew 48 percent, while median rents rose 47 percent. During this same period, the national housing market as well as Kentucky's housing market has experienced much turmoil. The COVID-19 pandemic exacerbated housing affordability across the United States. Between homebuyers searching for more space, record-low interest rates, and housing production stalling, housing affordability dropped to an all-time low.

### Cost of Housing

	Base Year: 2009	Most Recent Year: 2020	% Change
Median Home Value	123,200	130,000	6%
Median Contract Rent	523	548	5%

**Table 3 – Cost of Housing**

**Data Source:** 2000 Census (Base Year), 2016-2020 ACS (Most Recent Year)

Rent Paid	Number	%
Less than \$500	262,603	46.2%
\$500-999	263,397	46.3%
\$1,000-1,499	32,620	5.7%
\$1,500-1,999	6,185	1.1%
\$2,000 or more	4,133	0.7%
<b>Total</b>	<b>568,938</b>	<b>100.0%</b>

**Table 4 - Rent Paid**

**Data Source:** 2016-2020 ACS

**Table 32 – Cost of Housing**

Cost of Housing	Base Year: 2012	Most Recent Year: 2022	% Change
Median Home Value	\$120,000	\$177,000	48%
Median Contract Rent	\$478	\$705	47%

Data Source: 2000 Census (Base Year), 2016-2020 ACS (Most Recent Year)

Table 33 provides data on the number of renters by contract rent bracket in 2022.

**Table 33 - Rent Paid**

Contract Rent Paid	Number	%
Less than \$500	67,575	20%
\$500-999	197,577	57%
\$1,000-1,499	58,224	17%
\$1500-1,999	13,632	4%
\$2,000 or more	8,477	2%
Total	345,485	100%

Data Source: 2016-2020 ACS

**Cost of Housing**

**Housing Affordability**

Number of Units affordable to Households earning	Renter	Owner
30% HAMFI	58,020	No Data
50% HAMFI	190,165	132,235
80% HAMFI	386,110	319,850
100% HAMFI	No Data	446,770
<b>Total</b>	<b>634,295</b>	<b>898,855</b>

**Table 5 – Housing Affordability**

Data Source: 2016-2020 CHAS

Number of Units Affordable to Households Earning	Renter Units	Owner Units	Total Units
Less than 30% HAMFI	57,925	0	57,925
31-50% HAMFI	55,275	66,805	122,080
51-80% HAMFI	35,200	17,870	53,070
Greater than 81% HAMFI	3,790	14,275	18,065
Total	152,190	98,950	251,140

Data Source: 2016-2020 CHAS

## Housing Affordability

### Monthly Rent

Monthly Rent (\$)	Efficiency (no bedroom)	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Fair Market Rent	0	0	0	0	0
High HOME Rent	0	0	0	0	0
Low HOME Rent	0	0	0	0	0

Table 6 – Monthly Rent

Data Source Comments:

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

There is insufficient housing for all income levels. The 2024 Housing Supply Gap Analysis identifies severe housing cost burden as a primary driver of the housing supply gap in the state, meaning the cost of units is not attainable for all income levels. Increasing housing costs and the increased cost of other necessities including food, childcare, and transportation, also place considerable financial pressure on households statewide, particularly for low- and moderate-income households.

Data provided throughout the Needs Assessment of the Consolidated Plan from recent ACS and CHAS estimates indicates high percentages of households, particularly extremely low- and low-income households, are cost-burdened and severely cost-burdened. Data indicates that more than 200,000 renters are paying greater than 30 percent of income for housing costs.

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

As housing costs for both renter and owner households have increased significantly over the past ten years, and it is expected that the affordable housing gap will wide by more than 30 percent in the next five years, home values and rents may continue to rise, exacerbating housing affordability issues.

Exacerbating the gap between incomes and rents and homeowner housing costs is Kentucky's very high poverty rate. The state's poverty rate continues to be higher than the national average, with some Appalachian counties at two or three times the national poverty rate. Affordable rental housing continues to be difficult for lower-income families to obtain. When housing—both rental and owner—that is affordable to families in lower income brackets, the housing may be in poor condition. Energy costs, due to aging and substandard conditions, are often higher than the rent or mortgage payment. Evidence suggests that households in older manufactured homes and in substandard traditionally constructed homes pay exorbitant amounts for heating the home in the winter months.

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

HOME rents and Fair Market Rents are established on a county-by-county basis. There is no statewide HOME or Fair Market Rent. In rural markets with low household incomes, HOME rents often match the Area Median Rent. As such, they are competitive with market-rate rental units. Where FMRs and HOME rents do not keep pace with changes in rents, deeper levels of housing subsidy may be required to support lower income households in remaining stably housed.

**Discussion**

KHC and DLG identify the key themes from this section to be as follows:

- Increasing housing costs, coupled with the increased cost of other necessities including food, childcare, and transportation, place considerable financial pressure on households across the state, particularly for low- to moderate-income households.
- Continued rising of rents and home values may further exacerbate existing affordability and availability issues in the coming five years.

# MA-20 Housing Market Analysis: Condition of Housing – 91.210(a)

## Introduction

The MA-20 Housing Market Analysis: Condition of Housing Section of the Consolidated Plan provides insight into the restoration and rehabilitation needs of the state. Data regarding housing condition comes from 2018-2022 ACS and 2016-2020 CHAS.

Both data sources capture information on housing units with at least one of the following “selected conditions.” Note, the conditions listed below correspond with the conditions defined in NA-15

Disproportionately Greater Need: Housing Problems.

- The housing unit lacks complete kitchen facilities.
- The housing unit lacks complete plumbing facilities.
- The household is crowded (more than one person per room).
- The household is cost burdened (the household spends between 30 percent and 50 percent of income on housing costs).

It is important to note that many housing units may be substandard for reasons other than that they lack complete plumbing or kitchen facilities. Agencies who assist families throughout the state report that housing units that have complete bathrooms and kitchens may not be energy efficient or may have leaking roofs, bad foundations, older furnaces and other mechanicals that aren't energy efficient, among other problems. Families who are issued a rare rental voucher have difficulty locating rental units that pass Housing Quality Standards (HQS) inspections.

A significant percentage of Kentucky’s housing stock is older and more likely to need rehabilitation and be occupied by low- and moderate-income households. While rehabilitation of older units presents an opportunity to increase affordable housing stock, stakeholders noted that poor unit condition and a lack of certified contractors able to outfit units creates barriers to rehabilitation projects.

## Describe the jurisdiction's definition of "standard condition" and "substandard condition but suitable for rehabilitation":

For the purposes of this Plan, KHC provides the following definitions:

Standard Condition: Safe and adequate housing, well maintained, structurally sound, without visible deterioration or observable defects.

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

## Condition of Units

Condition of Units	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
With one selected Condition	212,228	18%	224,126	39%
With two selected Conditions	4,748	0%	12,992	2%
With three selected Conditions	547	0%	893	0%

Condition of Units	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
With four selected Conditions	71	0%	56	0%
No selected Conditions	937,982	81%	330,871	58%
<b>Total</b>	<b>1,155,576</b>	<b>99%</b>	<b>568,938</b>	<b>99%</b>

**Table 7 - Condition of Units**

Data Source: 2016-2020 ACS

Condition of Units	# Owner-Occupied	% Owner-Occupied	# Renter-Occupied	% Renter-Occupied
With one selected Condition	207,680	17%	216,721	38%
With two selected Conditions	5,081	0%	13,088	2%
With three selected Conditions	771	0%	768	0%
With four selected Conditions	84	0%	159	0%
No selected Conditions	991,451	82%	333,299	59%
Total	1,205,067	100%	564,035	100%

Data Source: 2018-2022 ACS

### Condition of Units

### Year Unit Built

Year Unit Built	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
2000 or later	239,554	21%	87,293	15%
1980-1999	354,503	31%	169,324	30%
1950-1979	415,093	36%	223,106	39%
Before 1950	146,426	13%	89,215	16%
<b>Total</b>	<b>1,155,576</b>	<b>101%</b>	<b>568,938</b>	<b>100%</b>

**Table 8 – Year Unit Built**

Data Source: 2016-2020 CHAS

Condensed	# owner-occupied	% owner-occupied	# renter-occupied	% renter-occupied
2000 or later	299,656	25%	113,998	20%
1980-1999	347,083	29%	163,460	29%
1950-1979	410,842	34%	208,527	37%
Before 1950	147,486	12%	78,050	14%
Total	1,205,067	100%	564,035	100%

Data Source: 2018-2022 ACS

## Year Unit Built

### Risk of Lead-Based Paint Hazard

Risk of Lead-Based Paint Hazard	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
Total Number of Units Built Before 1980	561,519	49%	312,321	55%
Housing Units build before 1980 with children present	144,625	13%	91,435	16%

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

Data Source: 2016-2020 ACS (Total Units) 2016-2020 CHAS (Units with Children present)

Risk of Lead-Based Paint Hazard	# Owner-Occupied	% Owner-Occupied	# Renter-Occupied	% Renter-Occupied
Total Number of Units Built Before 1980.	559,679	47%	298,063	53%
Housing units built before 1980 with children present	18,990	3%	38,880	13%

Data Source: 2016-2020 ACS (Total Units) 2016-2020 CHAS (Units with Children present)

## Risk of Lead-Based Paint

### Vacant Units

	Suitable for Rehabilitation	Not Suitable for Rehabilitation	Total
Vacant Units	0	0	0
Abandoned Vacant Units	0	0	0
REO Properties	0	0	0
Abandoned REO Properties	0	0	0

**Table 10 - Vacant Units**

Data Source: 2005-2009 CHAS

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

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

Units that were built before 1980 are considered at risk for lead based paint hazards as lead paint was commonly used in homes built before 1978. While not all households built prior to 1980 need lead-based paint remediation, the age of the housing unit and presence of young children indicates there is possible risk of lead-based paint exposure. Lower income households with young children that reside in units with lead-based paint hazard may be less able to afford remediation services. Lead Exposure can cause serious health problems, such as developmental delays, hearing loss, and other health problems. According to the CHAS data, there were 298,055 renter-occupied units built before 1980, and 559,685 owner occupied units built before 1980 in 2020. Of those, renter-occupied units, 38,880 units were occupied by low to moderate-income families with children six years or younger present, or 13 percent of the units. 18,990, or three percent, of the owner-occupied units built before 1980 were occupied by low to moderate-income families with children six years or younger present.

### **Discussion**

KHC and DLG identify the key themes from this section to be:

- With a large portion of Kentucky households living in a unit built prior to 1980, there is a need to inspect and possibly 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.

**MA-25 Public and Assisted Housing – 91.210(b)**

**Introduction**

N/A

**Totals Number of Units**

	Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project -based	Tenant -based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
# of units vouchers available	2	23		5,532	597	4,935	0	0	4,073
# of accessible units									

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

**Table 11 – Total Number of Units by Program Type**

Data Source: PIC (PIH Information Center)

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

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

N/A

**Public Housing Condition**

Public Housing Development	Average Inspection Score

**Table 12 - Public Housing Condition**

**Describe the restoration and revitalization needs of public housing units in the jurisdiction:**

N/A

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

N/A

**Discussion:**

N/A

## **MA-30 Homeless Facilities and Services – 91.210(c)**

### **Introduction**

The MA-30 Homeless Facilities and Services section of the Consolidated Plan provides data on the number of beds and units available in the Kentucky BoS CoC for people experiencing homelessness. As explained in NA-40 Homeless Needs Assessment, the Kentucky BoS CoC serves as the state entity for addressing homelessness through housing programs and services, which include intake, assessment, emergency shelter services, transitional housing services, and PSH for people with disabilities. The CoC provided information from the 2024 Housing Inventory Count and HMIS to estimate the number of beds available in the state. Listed below are the HUD definitions of the specific terms used to refer to housing and shelter for people experiencing homelessness.

- **Emergency Shelter:** Any facility, the primary purpose of which is to provide temporary or transitional shelter for the homeless in general or for specific populations of the homeless.
- **PSH:** Permanent housing in which housing assistance (e.g., long-term leasing or rental assistance) and supportive services are provided to assist households with at least one member (adult or child) with a disability in achieving housing stability.
- **Transitional Housing:** Temporary housing with supportive services to individuals and families experiencing homelessness with the goal of interim stability and support to successfully move to and maintain permanent housing.
- **RRH:** Permanent housing that provides short-term (up to three months) and medium-term (four to 24 months) TBRA and supportive services to households experiencing homelessness.
- **Other permanent housing:** Includes other forms of permanent housing that are not considered PSH or RRH. Includes housing only as well as housing with supportive services.

Overall, stakeholders note inefficiencies within the Coordinated Entry (CE) system, coupled with insufficient supportive services means that the capacity of homeless facilities and services is outweighed by the needs of the population. Stakeholders noted that people with disabilities and seniors are increasingly entering the homelessness response system, which further emphasizes a need for accessible units.

### Facilities and Housing Targeted to Homeless Households

	Emergency Shelter Beds		Transitional Housing Beds	Permanent Supportive Housing Beds	
	Year Round Beds (Current & New)	Voucher / Seasonal / Overflow Beds	Current & New	Current & New	Under Development
Households with Adult(s) and Child(ren)	578	57	170	595	15
Households with Only Adults	1,070	201	222	861	6
Chronically Homeless Households	0	0	0	861	6
Veterans	15	0	60	479	0
Unaccompanied Youth	32	0	24	0	0

Table 13 - Facilities and Housing Targeted to Homeless Households

Data Source Comments:

Beds/Units in Inventory	For Adults and Children		For Adults Only		For Children Only		Veterans	Victims of DV
	# of Beds	# of Units	# of Beds	# of Units	# of Beds	# of Units	# of Beds	# of Beds
Emergency Shelter	578	172	1070	300	32	16	15	438
Transitional Housing	170	48	222	110	0	0	60	93
PSH	595	209	861	600	0	0	479	146
RRH	866	274	517	400	0	0	188	474
Other Permanent Housing	350	109	210	100	0	0	0	0

Data Source: 2024 HIC Data

### Facilities Targeted to Homeless Persons by Demographics

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

The Kentucky BoS CoC partners with mainstream service providers to complement services targeted to people experiencing homelessness. The CoC and ESG-funded projects have close relationships with mental health service providers and employment and education service providers. KHC maintains a Community Resource Guide, which listed agencies across the state that assist people experiencing homelessness. The list, divided by counties, provides information on medical and mental health services as well as mortgage and credit counseling.

In addition, local organizations are included in CE prioritization meetings. As stated in the BoS CoC Coordinated Entry Policies and Procedures, many service providers, including those not funded by ESG, are invited to Local Prioritization Committee meetings to refer for housing interventions.

The Commonwealth of Kentucky offers several different services for those experiencing homelessness.

The Olmstead Housing Initiative is a partnership between DBHDID, New Beginnings Bluegrass, Community Mental Health Centers (CMHCs), Wellspring, and Kentucky Housing Corporation [provider of HQS]. The Olmstead Housing Initiative (OHI) was created to meet the housing needs of those with serious mental illnesses who are transitioning away from long term institutions.

The Projects for Assistance in Transition from Homelessness (PATH) program, administered by DBHDID in partnership with select CMHCs, supports individuals with serious mental illnesses. PATH funding allows for several different services such as street outreach or case management.

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

KHC's 2023 CoC Competition Homeless Assistance Award Report lists the CoC funded services and facilities in the BoS that serve people experiencing homelessness. These programs include PSH, RRH, TH, among other service and facility types. Note that this is not a comprehensive list of all programs managed by KHC or that are available in the BoS CoC.

- BRASS Joint TH-RRH DV BONUS
- CAC PSH
- CCCS RRH Program
- CCHC Joint Th-RRH 2023
- CCHC PSH Bonus Project 2023
- CILO Supportive Housing Program
- Crisis and Housing Support
  
- Gaining Access through Programs and Services
- Gateway House RRH Program Expansion
- Gateway House RRH Program Expansion 2
- Harlan Permanent Housing Program

- HHCK BOS PSH
- Homeless Services Project
- Hope Self-Help Housing Expansion
- Housing First BoS Region 6
- Housing for Persons with Disabilities
- Jarnigan Place RRH
- KCADV BoS RRH
- KCEOC-COC PSH
- KCEOC-COC YHDP RRH Project FY 2023
- KCEOC-COC YHDP TH-Ryan's Place Project FY 2023
- Kentucky River Community Care PH-SRA
- Kentucky River Community Care PH-TRA
- King's Crossing
- KRCC YHDP RRH Renewal Project Application 2023
- Layne House Apartments
- LifeSkills PH TBRA Combined
- LivWell PSH
- MCC Shelby Valley Independent Living Program
- Merryman House Permanent Housing
- Mountain Comprehensive Care Shelter Plus Care Program
- Mountain Housing SRA
- New Vista BGADD PSH
- Northern Kentucky Permanent Housing Program
- Northern Kentucky PSH Program
- Northern Kentucky RRH Program
- PEACE Housing Program
- Pennyroyal PSH
- Region 6 Permanent Housing Project
- Safe Harbor Transitional Housing
- Southeast Kentucky Homeless and Housing Alliance
- Transitions Permanent Housing Program FY2023
- Welcome House CoC RRH Consolidation
- Welcome House PSH
- Welcome House: Buffalo Trace-Coordinated Entry
- Welcome House: Buffalo Trace-PSH
- YHDP SSO
- YHDP TH
- ZeroV BoS DV Bonus RRH

## MA-35 Special Needs Facilities and Services – 91.210(d)

### Introduction

The MA-35 Special Needs Facilities and Services section of the Consolidated Plan describes the facilities and services available to special needs populations within the state. As discussed in NA-35 Non-Homeless Special Needs Assessment, special needs populations often have additional housing and supportive service needs. Special populations include, but are not limited to, persons with a disability, persons with substance use disorder, veterans, and seniors.

Despite the variety of services available to special needs populations, stakeholders and community members note a desire for increased supportive services and accessible units.

### HOPWA Assistance Baseline Table

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

**Table 14– HOPWA Assistance Baseline**

**Data Source:** HOPWA CAPER and HOPWA Beneficiary Verification Worksheet

Type of HOPWA Assistance	Number of Units Designated or Available for People with HIV/AIDS and their Families
TBRA	43
PH in facilities	0
STRMU	152
ST or TH facilities	0
PH placement	0

*Data Source: HOPWA CAPER and HOPWA Beneficiary Verification Worksheet*

### HOPWA Assistance Baseline

**Including the elderly, frail elderly, persons with disabilities (mental, physical, developmental), persons with alcohol or other drug addictions, persons with HIV/AIDS and their families, public housing residents and any other categories the jurisdiction may specify, and describe their supportive housing needs**

KHC offers a variety of programs, including housing choice vouchers (HCVs) and HOME investments, to support individuals with housing and supportive services. The KHC also works with the partner organizations to provide services and housing to special needs populations in the community. Listed below are a few examples of housing and supportive service programs available to low- and moderate-income Kentucky residents. This list is not exhaustive.

- KHC HOPWA Program offers TBRA, permanent housing placement services, supportive services, and short-term rental, mortgage and utility assistance to people living with HIV/AIDS. HOPWA clients are also eligible for service provided by the HIV Care Coordinator Program within the Kentucky CHFS.
- Recovery Kentucky provides housing and recovery services to people with substance use disorder.
- The John H. Chafee Foster Care Independence Program assist current and former foster care youths to achieve self-sufficiency.
- The KHC Housing Connector Team provides provide in-the-field support to tenants and landlords to address housing stability barriers and provide housing navigation services.
- KHC provides HOME TBRA, HCV, and other vouchers to low-income households.
- KHC runs an Eviction Diversion Program, which staffs court liaisons to work with tenants facing evictions, helps with past due rent and relocation assistance.

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

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

See the 2025 Annual Action Plan associated with this Consolidated Plan.

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

N/A

## **MA-40 Barriers to Affordable Housing – 91.210(e)**

### **Negative Effects of Public Policies on Affordable Housing and Residential Investment**

As stated in the Needs Assessment and Market Analysis, the Housing Supply Gap report indicates a substantial gap of affordable housing for low- and moderate-income populations. The report suggests severe housing cost burden and the growing population contribute to the supply gap.

Stakeholders emphasized through consultations sessions that there exist noted barriers to affordable housing development. The key themes that emerged from consultations regarding existing barriers to the creation of more affordable housing units.

- NIMBYism and a negative perception of renters.
- Prohibitive federal requirements, including Section 3 and environmental reviews.
- Housing stock that is unsuitable for rehabilitation due to quality issues.

In addition, the Consolidated Plan Stakeholder survey asked respondents what they believe the biggest barrier to affordable housing development is in the state. Listed below are their top three answers.

- High cost of development.
- Lack of political will or support.
- Lack of incentives for developers.

## MA-45 Non-Housing Community Development Assets – 91.215 (f)

### Introduction

The MA-45 Non-Housing Community Development Assets section of the Consolidated Plan summarizes data trends related to employment and the workforce including labor for participation, educational attainment, and workforce skills, training, and development efforts in Kentucky. Data regarding educational attainment and median income comes from 2018-2022 ACS. Data on jobs by sector comes from the most recent Longitudinal Employer-Household Dynamics data (2021). To more accurately compare jobs with workers, Table 49 uses 2017-2021 ACS estimates.

Stakeholders expressed a desire for more training and outreach to small businesses to understand available resources are tailored economic services to people with disabilities and low-income residents. Stakeholders also note that the lack of affordable housing and transportation options acts as a barrier to residents finding and maintaining employment.

### Economic Development Market Analysis

Kentucky boasts a robust workforce of over two million individuals, with a relatively low unemployment rate of 4.3 percent. The state's labor force is diverse, with significant representation in Education and Health Care Services (23 percent of workers) and manufacturing (18 percent of workers), sales and office occupations (321,247 individuals), as well as production, transportation, and material moving (101,016 individuals). A notable portion of the workforce is employed in management, business, and financial occupations (128,118 individuals).

### Business Activity

The characteristics of the workforce provide insight into the nature of the economy and economic development needs in the state. The following table summarizes the number of workers and jobs in each sector in 2021.

## Economic Development Market Analysis

### Business Activity

Business by Sector	Number of Workers	Number of Jobs	Share of Workers %	Share of Jobs %	Jobs less workers %
Agriculture, Mining, Oil & Gas Extraction	16,416	15,652	2	2	0
Arts, Entertainment, Accommodations	120,797	97,179	12	13	1
Construction	57,063	42,844	6	6	0
Education and Health Care Services	175,632	130,985	18	17	-1

Business by Sector	Number of Workers	Number of Jobs	Share of Workers %	Share of Jobs %	Jobs less workers %
Finance, Insurance, and Real Estate	54,502	35,566	6	5	-1
Information	13,964	9,318	1	1	0
Manufacturing	183,706	158,247	19	21	2
Other Services	30,479	24,441	3	3	0
Professional, Scientific, Management Services	61,739	39,866	6	5	-1
Public Administration	0	0	0	0	0
Retail Trade	148,468	123,465	15	16	1
Transportation and Warehousing	55,767	51,548	6	7	1
Wholesale Trade	48,829	38,583	5	5	0
Total	967,362	767,694	--	--	--

**Table 15 - Business Activity**

Data Source: 2016-2020 ACS (Workers), 2020 Longitudinal Employer-Household Dynamics (Jobs)

Business by Sector	Number of Workers	Number of Jobs	Share of Workers %	Share of Jobs %	Jobs less Workers %
Agriculture, Mining, Oil & Gas Extraction	50,811	18,212	4%	1%	-3%
Arts, Entertainment, Accommodations	40,845	19,840	3%	2%	-2%
Construction	85,613	78,122	7%	6%	-1%
Education and Health Care Services	269,315	417,800	23%	32%	10%
Finance, Insurance, and Real Estate	112,159	97,824	9%	8%	-2%
Information	15,952	24,569	1%	2%	1%
Manufacturing	208,238	24,922	18%	2%	-16%
Other Services	41,239	42,865	3%	3%	0%
Professional, Scientific, Management Services	97,527	81,523	8%	6%	-2%
Public Administration	50,907	74,725	4%	6%	1%
Retail Trade	109,135	211,291	9%	16%	7%
Transportation & Warehousing	65,121	122,883	6%	10%	4%
Wholesale Trade	36,837	75,171	3%	6%	3%
Total	1,183,699	1,289,747	100%	100%	0%

Data Source: 2017-2021 ACS (Workers), 2021 Longitudinal Employer-Household Dynamics (Jobs)

## Business Activity

## Labor Force

Total Population in the Civilian Labor Force	1,386,352
Civilian Employed Population 16 years and over	1,311,004
Unemployment Rate	5.39
Unemployment Rate for Ages 16-24	15.35
Unemployment Rate for Ages 25-65	3.00

**Table 16 - Labor Force**

Data Source: 2016-2020 ACS

Demographic	Figure
Total Population in the Civilian Labor Force	2,172,280
Civilian Employed Population 16 Years and Over	2,059,858
Unemployment Rate	4.3%
Unemployment Rate for Ages 16-24	5.5%
Unemployment Rate for Ages 25-65	4.0%

Data Source: 2018-2022 ACS

## Labor Force

Occupations by Sector	Number of People
Management, business and financial	259,771
Farming, fisheries and forestry occupations	41,995
Service	132,052
Sales and office	274,386
Construction, extraction, maintenance and repair	134,291
Production, transportation and material moving	113,317

**Table 17 – Occupations by Sector**

Data Source: 2016-2020 ACS

Occupations by Sector	Number of People
Management, Business and Financial	128,118
Farming, Fisheries and Forestry Occupations	18,944
Service	55,386
Sales and Office	321,247
Construction, Extraction, Maintenance, and Repair	93,536
Production, Transportation and Material Moving	101,016

Data Source: 2018-2022 ACS

## Occupations by Sector

### Travel Time

Travel Time	Number	Percentage
< 30 Minutes	815,437	66%
30-59 Minutes	328,950	27%
60 or More Minutes	86,573	7%
<b>Total</b>	<b>1,230,960</b>	<b>100%</b>

Table 18 - Travel Time

Data Source: 2016-2020 ACS

Travel Time	Number	%
30 Minutes	1,276,188	70%
30-59 Minutes	445,992	24%
60+ Minutes	113,123	6%
Total	1,835,303	100%

Data Source: 2018-2022 ACS

### Travel Time

### Education:

Educational Attainment by Employment Status (Population 16 and Older)

Educational Attainment	In Labor Force		Not in Labor Force
	Civilian Employed	Unemployed	
Less than high school graduate	69,567	7,928	112,568

Educational Attainment	In Labor Force		Not in Labor Force
	Civilian Employed	Unemployed	
High school graduate (includes equivalency)	336,569	18,780	195,742
Some college or Associate's degree	354,926	15,057	122,476
Bachelor's degree or higher	291,234	5,829	51,248

**Table 19 - Educational Attainment by Employment Status**

Data Source: 2016-2020 ACS

Educational Attainment	In Labor Force		Not In Labor Force
	Civilian Employed	Unemployed	
Less than High School Graduate	94,005	7,239	115,763
High School Graduate or Equivalent	445,753	21,816	239,158
Some College or <u>Associate's Degree</u>	512,791	17,967	156,733
Bachelor's Degree or Higher	581,679	11,165	87,257

Data Source: 2018-2022 ACS

### Educational Attainment by Employment Status

### Educational Attainment by Age

	Age				
	18–24 yrs	25–34 yrs	35–44 yrs	45–65 yrs	65+ yrs
Less than 9th grade	5,339	9,542	12,144	41,138	58,699
9th to 12th grade, no diploma	30,624	25,771	27,386	74,011	51,594
High school graduate, GED, or alternative	107,916	119,089	116,947	316,027	204,793
Some college, no degree	97,634	94,848	83,326	158,725	92,715
Associate's degree	14,140	39,651	42,555	77,363	25,140
Bachelor's degree	17,941	60,269	56,570	97,297	43,673
Graduate or professional degree	1,317	26,855	40,064	69,406	42,875

**Table 20 - Educational Attainment by Age**

Data Source: 2016-2020 ACS

	18-24 years	25-34 years	35-44 years	45-64 years	65+ years
Less than 9th Grade	8,037	14,678	18,556	46,374	60,231
9th to 12th, No Diploma	42,230	34,410	35,113	90,287	63,798
High School Graduate or Equivalent	162,295	167,921	154,376	400,950	280,023

	18-24 years	25-34 years	35-44 years	45-64 years	65+ years
Some College, No Degree	144,719	133,413	116,191	225,300	144,138
<u>Associate's Degree</u>	21,811	55,477	60,576	111,110	42,248
Bachelor's Degree	41,537	120,135	102,426	170,991	84,582
Graduate or Professional Degree	3,717	59,572	73,438	119,376	81,419

Data Source: 2018-2022 ACS

### Educational Attainment by Age

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

Educational Attainment	Median Earnings in the Past 12 Months
Less than high school graduate	13,405,506
High school graduate (includes equivalency)	25,603,140
Some college or Associate's degree	28,376,356
Bachelor's degree	29,752,707
Graduate or professional degree	31,675,538

Table 21 – Median Earnings in the Past 12 Months

Data Source: 2016-2020 ACS

<b>Educational Attainment</b>	<b>Median Earnings</b>
Population Over Age 25 with Earnings	\$43,131
Less than High School Graduate	\$26,748
High School Graduate or Equivalent	\$34,705
Some College or <u>Associate's Degree</u>	\$40,626
Bachelor's Degree	\$56,922
Graduate or Professional Degree	\$67,410

*Data Source: 2018-2022 ACS*

### **Median Earnings in the Past 12 Months**

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

According to 2021 ACS data, the three most common sectors by worker and job were:

- Education and Health Care Services (23 percent of workers and 32 percent of jobs)
- Manufacturing (18 percent of workers and two percent of jobs)
- Retail Trade (nine percent of workers and 16 percent of jobs)

Within these sectors, the Kentucky Cabinet for Economic Development has further identified major industries in the state:

- AgriTech
- Automotive
- Manufacturing
- AerospacePrimary MetalsFood & BeverageDistribution & LogisticsChemicalsPlastics & RubberHealth Care

### **Describe the workforce and infrastructure needs of the business community:**

In 2021 there existed a discrepancy between healthcare or education jobs and workers. There were 269,315 workers in those sectors, but there were 417,800 jobs. This equates to a demand for 148,485 workers.

In addition, one-third of Kentuckians take over 30 minutes to commute each way. This suggests a need for improved transportation infrastructure, especially in areas with longer commute times. Expanding public transportation options, improving road networks, and encouraging remote work could help alleviate traffic congestion and improve commuting times.

Given the prevalence of high commuting times, introducing affordable housing developments near main

employment hubs to reduce commuting distances, which was emphasized by stakeholders during consultation sessions and survey responses.

Stakeholders also noted a need for greater training and outreach to small businesses to understand available resources are tailored economic services to people with disabilities and low-income residents.

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

A variety of federal, state, and private investments will continue to have an impact on the economic development of the state.

First, the introduction of President Biden’s bipartisan Infrastructure Law has allocated \$7 billion to the state. Over 325 specific projects have been identified to receive those fundings. Approximately \$3.9 billion has been announced for transportation—to invest in roads, bridges, public transit, ports and airports – and roughly \$299 million has been announced for clean water and water infrastructure.

The Cabinet for Economic Development also notes that manufacturers in the state have announced approximately 800 facility locations or expansion projects with a reported capital investment of \$28 billion and more than 37,000 additional jobs.

The Cabinet for Economic Development is currently accepting applications for Government Resources Accelerating Needed Transformation funding. This funding, awarded to counties, cities, or non-profit organizations, is intended to support economic development and revitalization across the state including the sectors of retail, agriculture, tourism, and telecommunications.

Overall, these investments will support the State of Kentucky in increasing employment opportunities and connectivity. Outreach and training may be needed to ensure low- and moderate-income people have access to these services and opportunities.

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

The unemployment rate is low (4.3 percent overall), with a higher rate among younger workers, specifically 5.5 percent for those aged 16-24. This suggests that young workers may be facing challenges in securing employment.

The Health Care and Education Services sector has a high number of jobs (417,800), which indicates that opportunities exist for workers with a range of skills, including those with higher educational credentials, such as health professionals, educators, and administrators.

Retail Trade (211,291 jobs) and Transportation & Warehousing (122,883 jobs) also provide significant employment opportunities, though these may require lower levels of education, particularly for entry-level positions.

Stakeholders noted that people with disabilities and low-income people may need additional services and outreach to ensure they are connected with economic development and workforce opportunities.

**Describe any current workforce training initiatives, including those supported by Workforce Investment Boards, community colleges and other organizations. Describe how these efforts will support the jurisdiction's Consolidated Plan.**

Through the Kentucky Cabinet for Economic Development, the State of Kentucky is implementing a variety of workforce development initiatives. These programs aim to provide training and resources needed to maintain and retain employment.

Increased funding through the Bluegrass State Skills Corporation: provides employers with training and funds to develop new and existing employees. More than 200 employers have grants and tax credits worth over \$12.6 million that are training nearly 43,000 employees.

- KCTCS TRAINS: Provides funding to colleges to partner with companies to provide employee training and development.
- Improved Training Facilities: Provided over \$200 million in funding to support the training of an additional 30,000 workers each year.
- Apprenticeship Program: Registered apprenticeship model currently training in more than 100 occupations.
- KY FAME: Work and study program that allows students to enroll in college courses and receive on-the-job training in high-tech manufacturing operations.

**Does your jurisdiction participate in a Comprehensive Economic Development Strategy (CEDs)?**

**If so, what economic development initiatives are you undertaking that may be coordinated with the Consolidated Plan? If not, describe other local/regional plans or initiatives that impact economic growth.**

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**Discussion**

KHC and DLG identify the key themes of this section to be as follows:

- 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.

## **MA-50 Needs and Market Analysis Discussion**

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

In both Wolfe and Pendleton counties, 48 percent of households are experiencing at least one housing cost burden. These counties are considered "concentrations" due to the high proportion of residents facing housing problems, exceeding the 45 percent threshold.

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

There are 28 census tracts in the State of Kentucky that are designated as Racially or Ethnically Concentrated Areas of Poverty. R/ECAPs must have a non-white population of 50 percent or more. Regarding the poverty threshold, Wilson (1980) defines neighborhoods of extreme poverty as census tracts with 40 percent or more of individuals living at or below the poverty line. Jefferson County contains 19 of the R/ECAP areas.

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

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

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

Louisville Metro Parks offers a variety of parks, playgrounds, and outdoor facilities, providing Louisville residents with opportunities for outdoor activities and community events. Jefferson County is also home to the Louisville Public Library system, with multiple branches across the county, offering access to books, computers, and other resources

In addition to these recreational and educational resources, the Jefferson County Public School system operates throughout the county, providing educational programs for the public. Various community centers, such as the West End School and the Shawnee Community Center, offer programs and services for residents of all ages.

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

As Jefferson County is majority urban, there are opportunities to improve and develop infrastructure to help the many people living below the poverty line, such as reduced-cost public transportation or after-school programs for those living below the poverty line. Since the population is denser than in rural areas, those programs would reach more people.



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

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

Per HUD guidance, all Consolidated Plans submitted after January 1, 2018, must address broadband needs within the jurisdiction. Broadband access is often viewed as a means to connect to education, commerce, and a wider community. It is becoming a requirement for all households to effectively engage with markets and resources. Further, for low- and moderate-income households, broadband affordability is an issue.

According to the Five-Year Action Plan of the BEAD Program, the report states affordability is a key factor in internet adoption. The Federal Communications Commission's Affordable Connectivity Program (ACP) provides a \$30 per month subsidy to eligible households and the average cost of a broadband subscription is \$38 so the ACP significantly reduces the cost for LMI households. While Kentucky has over 1000 providers, only 84 participate in the ACP program.

Kentucky has decent broadband access, although it falls short when compared nationwide, with 97.15 percent of Kentuckians having access to three or more providers. In 2024, the Biden-Harris administration approved Kentucky's proposal to request funding and begin implementation of the BEAD program.

Stakeholders also noted that Eastern Kentucky tends to have less broadband access, which creates connectivity issues.

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

There are huge benefits to people living in Kentucky if there is more than one internet service provider. More providers lead to better options for customers, allowing them to choose the provider that best suits their needs. Kentucky is a majority rural state, meaning that some areas can be underserved and lack reliable internet. Multiple providers can enhance those communities, offering better services. According to the BEAD Five-Year Action Plan, while population-dense areas have seen significant investments in upgrades to and expansion of broadband infrastructure, many rural areas have not experienced the same investments due to the economic challenge of delivering service. As the availability of federal and state subsidies have increased in recent years, internet providers are increasingly taking a greater interest in improved infrastructure in rural areas. Kentucky's Broadband Deployment Fund prioritizes deployment of fiber optic infrastructure to areas lacking high-speed internet as well as providing a higher subsidy to construct networks in less dense areas. These priorities align with the priorities of the BEAD program. However, there are still areas of the Commonwealth that have not generated much interest in or competition for grant funds at the current subsidy level. The office will need to identify these areas, the specific barriers, and strategies to overcome the barriers,

which could include adjustment to or waiver of matching requirements, braiding of federal funding sources, consideration of alternative technologies, or other strategies.

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

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

Flooding, already the most frequent and costly natural hazard in Kentucky, may also worsen from climate change. Extreme precipitation events are projected to increase during the 21st century, potentially leading to more frequent and intense floods. This poses significant risks to infrastructure and the economy, as Kentucky's topography and existing infrastructure make it vulnerable to flash flooding events.

According to the USDA Forest Service, populated areas in Kentucky have, on average, greater risk than 72 percent of states in the United States. Counties in eastern Kentucky are particularly vulnerable to wildfires. Populated areas in Breathitt County have, on average, a greater wildfire likelihood than 93 percent of counties in Kentucky and 98 percent of the United States. Furthermore, individuals living in poverty have elevated fire risk and may require additional support in recovering from a disaster. As of 2021, 27.9 percent of Breathitt County residents live in poverty according to the U.S. Census Bureau, a ratio above the national and State average.

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

According to the 2022 Kentucky Disaster Recovery Action Plan, the 2021 and 2022 federally declared disasters brought to the forefront the need for more affordable housing outside the flood zone. Low levels or pre-disaster stock in rural areas are particularly relevant to survivors displaced from rural counties who need to be rehoused within a reasonable commuting distance to maintain a connection to employment, healthcare, and school networks.

In addition to the reduction of housing stock, FEMA states that low-income households are vulnerable to disasters, as they have difficulties accessing safe and affordable housing during and after a disaster. The Pre-Disaster Housing Planning Initiative also acknowledges that states often struggle to prioritize and resource pre-disaster planning, which could result in inadequate support for low-income households during emergencies.

As the risk of climate-related hazards increases, so does the vulnerability of low- and moderate-income households. Low- and moderate-income households may not have the means to evacuate hazardous situations or can recover quickly. For instance, low- and moderate-income households may be less likely to carry flood insurance.

According to the Phase II Kentucky Housing Supply Gap Analysis (2024), numerous Kentucky communities were adversely impacted by natural disasters in recent years, with more notable events occurring in December 2021 (severe storms, straight-line winds, flooding and tornadoes) impacting western Kentucky and in July 2022 (flooding) impacting eastern Kentucky. These natural disasters resulted in the damage and destruction of numerous housing units in several counties in both regions. The American Red Cross conducted evaluations in which housing units were inventoried to determine

the number of homes that were destroyed or damaged (both minor and major damage). 16 counties had some inventory of housing that was adversely impacted by the natural disaster. In total, 2,639 units were categorized as either destroyed or had major damage. An additional 1,512 units showed evidence of having minor damage.

In addition, the Federal Reserve Bank of Cleveland issued a report (RESILIENCE AND RECOVERY: Insights from the July 2022 Eastern Kentucky Flood) in 2023 that highlights the fact that floods exacerbate affordable housing shortages. Nearly 9,000 housing units were affected by the flood, with 74 percent of the damage occurring in just four counties (Breathitt, Knott, Letcher, and Perry), comprising 22 percent of their occupied housing units. These points are particularly relevant in these 13 flood-impacted counties where, in 2021, 37 percent of households, including 55 percent of renters, made less than \$25,000 per year. Research finds that low-income households and renters are more likely to suffer permanent displacement because they often have fewer relocation options and lower quality housing may be demolished instead of rebuilt.