

# Strategic Plan

## SP-05 Overview

### Strategic Plan Overview

Kentucky's Five-Year Consolidated Plan is a guide for the Commonwealth's use of its federal funding for housing, community development, and economic programs and initiatives. The Strategic Plan outlines the goals, objectives, and specific strategies to work towards those goals and objectives over the next five federal fiscal years.

The Strategic Plan is comprised of 12 sections:

1. Geographic Priorities
2. Priority Needs
3. Influence of Market Conditions
4. Anticipated Resources
5. Institutional Delivery Structure
6. Goals
7. Public Housing
8. Barriers to Affordable Housing
9. Homelessness Strategy
10. Lead-Based Paint Hazards
11. Anti-Poverty Strategy
12. Monitoring

KHC developed the Strategic Plan after reviewing information gathered and analyzed through an extensive consultation process which included:

- Virtual meetings with agencies and organizations
- Public hearings
- Stakeholder/agency/organization surveys
- Needs Assessment and Housing Market Analysis of the Five-Year Consolidated Plan
- Assessment of U.S. Census and other local data that reflect community needs

This strategic plan sets a five-year framework for projects and activities in the state. The state has identified a common set of priority needs for affordable housing and community development. 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 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.

## SP-10 Geographic Priorities – 91.215 (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.	

### 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, 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 except 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 multifamily development projects from certain areas of the state if the area has already received greater funding as compared to other areas of the state. 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 available to BoS CoC cities and counties or private nonprofit organizations on a competitive basis. As 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 considers 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.

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 affect location.

## SP-25 Priority Needs - 91.215(a)(2)

### Priority Needs

Table 2 – Priority Needs Summary

1	<b>Priority Need Name</b>	Rental Assistance
	<b>Priority Level</b>	High
	<b>Population</b>	Extremely Low Low Large Families Families with Children Elderly Individuals Unaccompanied Youth Persons with Physical Disabilities Persons with Alcohol or Other Addictions
	<b>Geographic Areas Affected</b>	Other
	<b>Associated Goals</b>	HOME Rental Assistance Emergency Shelter HOPWA Activities
	<b>Description</b>	TBRA 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 HCV. HCVs 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 Low Moderate
<b>Geographic Areas Affected</b>		Other

	<b>Associated Goals</b>	HOME Homeowner Activities HOME Multifamily Activities 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. According to the 2024 Phase I Kentucky Housing Gap analysis, the statewide housing gaps are concentrated among product affordable to the lowest income households with 60,385 units, or 59.4%, of the statewide rental gap for households earning up to 30% of AMI. The next largest rental housing gaps are for product affordable to households earning between 31% and 50% of AMI (19,161 units, 18.9% of the statewide rental gap) and product affordable to households earning between 51% and 80% of AMI (13,211 units, 13.0% of the statewide rental gap). In addition, especially in rural areas, families prefer to own their home rather than rent. The production of affordable owner-occupied housing remains a need.
<b>3</b>	<b>Priority Need Name</b>	Rehabilitation of Affordable Housing
	<b>Priority Level</b>	High
	<b>Population</b>	Extremely Low Low Moderate
	<b>Geographic Areas Affected</b>	Other
	<b>Associated Goals</b>	HOME Homeowner Activities HOME Multifamily Activities CDBG Housing Housing Trust Fund Multifamily Activities
	<b>Description</b>	Rehabilitation of existing affordable rental housing and owner-occupied housing.
	<b>Basis for Relative Priority</b>	There is a need to rehabilitate existing single-family housing stock for resale to low- and moderate-income homebuyers. Lack of energy efficiency directly contributes to housing cost burden.
<b>4</b>	<b>Priority Need Name</b>	PSH
	<b>Priority Level</b>	High

	<b>Population</b>	Extremely Low Low Families with Children Chronic Homelessness Chronic Substance Abuse veterans Persons with HIV/AIDS Persons with Mental Disabilities Persons with Physical Disabilities Persons with Developmental Disabilities Persons with Alcohol or Other Addictions Persons with HIV/AIDS and their Families Victims of Domestic Violence
	<b>Geographic Areas Affected</b>	Other
	<b>Associated Goals</b>	HOME Rental Assistance HOME Multifamily Activities Emergency Shelter HOPWA Activities
	<b>Description</b>	Provision of PSH with adequate support to ensure successful occupancy.
	<b>Basis for Relative Priority</b>	According to the 2024 Phase II Kentucky Housing Gap analysis, the state has a PSH gap of 6,871, with the vast majority (98.6 percent) for individuals, as opposed to families. Most of this overall gap (4,658, or 67.8 percent of the state total) is in the Louisville-Jefferson County CoC. PSH 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. TBRA and RRH 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 Low Moderate Families with Children Rural Individuals Mentally Ill Chronic Substance Abuse veterans Victims of Domestic Violence Persons with Mental Disabilities Persons with Physical Disabilities Persons with Developmental Disabilities
	<b>Geographic Areas Affected</b>	Other
	<b>Associated Goals</b>	Emergency Shelter
	<b>Description</b>	Assistance to rapidly re-house persons experiencing homelessness with supportive case management.
	<b>Basis for Relative Priority</b>	In 2023, 4,766 persons 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 Grant Activities
	<b>Priority Level</b>	High

	<b>Population</b>	Extremely Low Low Rural Chronic Homelessness Individuals Families with Children Mentally Ill Chronic Substance Abuse veterans Persons with HIV/AIDS Victims of Domestic Violence Unaccompanied Youth Persons with Mental Disabilities Persons with Physical Disabilities Persons with Developmental Disabilities
	<b>Geographic Areas Affected</b>	Other
	<b>Associated Goals</b>	Emergency Shelter
	<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>	Identifying and assisting the persons who are unsheltered or a living in places unfit for human habitation and those experiencing chronic homelessness.
<b>7</b>	<b>Priority Need Name</b>	Homelessness Outreach
	<b>Priority Level</b>	High

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

	<b>Geographic Areas Affected</b>	Other
	<b>Associated Goals</b>	Emergency Shelter
	<b>Description</b>	Preventing families on the verge of homelessness from becoming literally homeless by providing housing-focused case management 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 result.
<b>9</b>	<b>Priority Need Name</b>	Homebuyer Rehabilitation and Development
	<b>Priority Level</b>	High
	<b>Population</b>	Extremely Low Low Moderate
	<b>Geographic Areas Affected</b>	Other
	<b>Associated Goals</b>	HOME Homeowner Activities 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 and purchase acquisitions will also be permitted.
	<b>Basis for Relative Priority</b>	As outlined in the Housing Gap Analysis reports, needs assessment, market analysis, and citizen and stakeholder feedback, there's an increasing need for additional affordable homeownership opportunities statewide. The development 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. The need for housing 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 and 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 through the Department for Local Government (DLG).
<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 Improvement/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 statewide.
13	<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.
14	<b>Priority Need Name</b>	Other Housing or Service Needs
	<b>Priority Level</b>	High
	<b>Population</b>	Extremely Low Low Moderate Large Families Families with Children Elderly Rural Chronic Homelessness Individuals Families with Children Mentally Ill Chronic Substance Abuse veterans Persons with HIV/AIDS Victims of Domestic Violence Unaccompanied Youth

	<b>Geographic Areas Affected</b>	Other
	<b>Associated Goals</b>	Emergency Shelter 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. Supportive services 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)**

N/A

## SP-30 Influence of Market Conditions – 91.215 (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)	HCVs statewide, including those administered by KHC, are in very short supply. According to the 2024 Phase II Kentucky Housing Gap analysis, the lack of available rentals may attribute to cost burden housing situations, substandard housing, and inability of HCV holders to use their vouchers. Waiting lists are very long. TBRA 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 HCV to access assistance.
TBRA for Non-Homeless Special Needs	See above.
New Unit Production	Across Kentucky, there is a shortage of rental homes affordable and available to extremely low-, low-, moderate-income households. Preservation of affordable housing is most important for extremely low- and low-income households. According to the 2024 Housing Gap Analysis, there's a shortage of 60,385 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 and owners may wish to divest themselves of the housing and 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**

<b>Demographics</b>	<b>Base Year: 2012</b>	<b>Most Recent Year: 2022</b>	<b>% Change</b>
Population	4,340,167	4,502,935	4%
Households	1,691,716	1,769,102	10%
Median Income	\$42,610	\$60,183	41%

*Data Source: 2000 Census (Base Year), 2018-2022 ACS (Most Recent Year)*

### **Housing Needs Assessment Demographics**

## SP-35 Anticipated Resources - 91.215(a)(4), 91.220(c)(1,2)

### Introduction

Kentucky is expected to receive a total of \$49,906,801.50 million in federal funding in 2025–2026 to be used for the needs of non-entitled communities in Kentucky.

These funds will be used to address many different needs statewide as determined by the units of local government. The Commonwealth does not formally place any other resources to be used directly with these funds but rather allows the local government to package their own projects, which could include the use of other federal resources and state, local, and private funding. In all programs requiring match, the requirement is met.

### Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	25,988,523	0	0	25,988,523	103,954,092	DLG expects to fund projects in non-entitlement areas of the state. Priorities include: CDBG Housing

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	
			Annual Allocation: \$	Program Income: \$	Prior Year Resources : \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	12,173,105	116,338	0	12,289,443	52,692,421	HOME funds address affordable housing needs.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	
			Annual Allocation: \$	Program Income: \$	Prior Year Resources : \$	Total: \$		
HOPW A	public - federal	Permanent housing in facilities Permanent housing placement Short term or transitional housing facilities STRMU Supportive services TBRA	1,442,662	0	0	1,442,662	5,770,648	Grant from U.S. Department of Housing and Urban Development

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	
			Annual Allocation: \$	Program Income: \$	Prior Year Resources : \$	Total: \$		
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	2,666,606	0	0	2,666,606	10,666,424	Grant from U.S. Department of Housing and Urban Development

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	
			Annual Allocation: \$	Program Income: \$	Prior Year Resources : \$	Total: \$		
HTF	public - federal	Acquisition Admin and Planning Homebuyer assistance Multifamily rental new construction Multifamily rental rehab New construction for ownership	3,134,373	0	0	3,134,373	12,537,493	Housing Trust Fund, multifamily housing for extremely low-income

**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 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 most of our recipients—nonprofits, private developers, and units of local government—have contributed a large amount of matching funds with their projects. In the past, HOME, Affordable Housing Trust Fund, and Rural Housing Trust Fund 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 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 and 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. Since many agencies can use in-kind donations of both goods and services as well as cash contributions, the Kentucky State ESG program may 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. 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 most recipients contribute some amount of matching funds.

**If appropriate, describe publically owned land or property located within the jurisdiction 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 most recipients contribute some amount of matching funds. Guidelines for the Recovery Housing program are in progress. There

is no matching funds requirement for National HTF (NHTF) 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 higher than the amount of HTF funding allocated to the project.

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.

HOME: HOME funds are used in conjunction with the Commonwealth's Affordable Housing Trust Fund and Rural Housing Trust Fund dollars. KHC also tracks other eligible match sources allowed by program regulations.

ESG: Funds are matched in an amount that equals the fiscal year grant amount for ESG.

These match practices will be continued through the duration of the 2025 to 2029 Consolidated Planning period.

KHC is the designated administrator of the federal 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, state Rural 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 and financing through KHC by way of a consolidated application.

## SP-40 Institutional Delivery Structure – 91.215(k)

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

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

**Table 5 - Institutional Delivery Structure**

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

KHC and DLG partners with numerous entities to deliver the housing and economic development activities under the Consolidated Plan. Since these entities have not yet been awarded funding under the plan, they cannot all be named. 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 with eligible units of local government in distributing CDBG funds. KHC is responsible for the administration of HOME, ESG and HOPWA Programs. Eligible applicants include, but are not limited to, units of local government, Community Housing Development Organizations (CHDOs), nonprofit housing organizations, and for-profit developers. In addition to entities that receive funding under the Consolidated Plan programs, KHC and DLG consult with state agencies, local governments, federal agencies, and many other entities that serve the same populations assisted under these

programs. KHC is the coordinating entity for the BoS CoC., 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 HCV program in counties where there is no local housing authority. KHC works with HUD in the administration of the Risk-Sharing Program to increase the number of safe, decent and affordable rental units throughout the state. When funding is available, KHC processes and underwrites the loan applications and, in the event of default, the mortgage insurance risk is shared between KHC and HUD.

The Governor’s Local Issues Conference is held annually and is attended by local officials from cities and counties throughout the Commonwealth. The annual Kentucky Affordable Housing Conference is attended by hundreds of representatives of various housing and related service organizations.

KHC coordinates the state’s Housing Policy Advisory Committee and Kentucky Interagency Council on Homelessness. Many private housing developers utilize the Housing Credit Program as well as other federal and state housing programs for the development of affordable rental housing across the state. Likewise, KHC continues to maintain relationships with several private developers who utilize HOME funds to provide homeownership opportunities for low-income Kentuckians. KHC works with over 250 private lending institutions in the origination and processing of KHC mortgages. The statewide lender network enables lower-income families the opportunities to access KHC’s loan products.

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

<b>Homelessness Prevention Services</b>	<b>Available in the Community</b>	<b>Targeted to Homeless</b>	<b>Targeted to People with HIV</b>
<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			
Child Care	X	X	X
Education	X	X	

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

**Table 6 - Homeless Prevention Services Summary**

**Describe how the service delivery system including, but not limited to, the services listed above meet the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth)**

The End HIV Kentucky Integrated Prevention and Care Plan (“Integrated Plan”) establishes the framework for HIV prevention and care during 2022-2026. The Integrated Plan is a culmination of over three years of work with entities across the State of Kentucky to develop a shared vision for integrative HIV prevention and care. The Integrated Plan builds off Kentucky’s 2020 EHE planning process and is aligned with the updated NHAS.

The Community Advocates for Resources and Empowerment program provides safe shelter, housing navigation, harm reduction, medical support, mental health support, pet care and assisting with legal documentation.

There are several organizations and agencies providing HIV care and prevention services in Kentucky, according to the Kentucky HIV/AIDS Integrated Epidemiological Profile 2022 produced by the Kentucky CHFS Department for Public Health HIV/AIDS Section.

In addition, 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 aid ([www.kyhousing.org](http://www.kyhousing.org)). To ensure the publication’s accuracy, KHC solicits updates and makes changes regularly on the web site.

KHC serves as the collaborative applicant and lead agency for the 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. The criteria also adopts 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.

According to recent (2024) guidance, all projects funded in the KY BoS CoC will:

- Promote community-wide commitment to ending homelessness.
- Rapidly rehouse homeless individuals and families while minimizing trauma caused by homelessness.
- Eliminate barriers to program and housing entry.

- Provide access to mainstream benefits programs.
  - Optimize housing stability and resiliency among all program participants.
- PSH projects funded through the 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 policy priorities reflect a commitment to the priorities set by HUD. The KY BoS CoC's policy priorities are rooted in its commitment to developing a homeless response system that ensures homelessness is rare, brief, and non-recurring via the following:

The KY BoS CoC continues to utilize 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.

**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 (BoS, 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.

ZeroV (formerly 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 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 SSVF and 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 CHFS. The CHFS administers the Olmstead Housing Initiative, which provides housing and services to persons with severe mental illness.

The CHFS also provides housing and services to youth aging out of foster care via the Chafee Room and Board program. The John Chafee Independence Program is a federally funded program designed to teach youth aged twelve (12) and over who are in out of home care or who were formerly in care, the skills they need to be self-sufficient when they leave care.

**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 Board (also referred to as the CoC Board) is the primary planning body for the KY BoS CoC. Its members are responsible for making recommendations on policy decisions and approve the project evaluation process and completion of the KY BoS CoC application for HUD funding. Members include housing and homeless service providers, funders, advocates, and a representative from every KY BoS CoC Homeless Planning Region.

KICH is composed of representation from state government, nonprofit and advocacy agencies and consists of the following members: the secretary of the CHFS; 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 (PHAs), appointed by the Governor for a two-year term; and an individual who has previously experienced homelessness and addiction, appointed by the Governor for a two-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.

Serve Kentucky, formerly the Kentucky Commission on Community Volunteerism and Service, is a statewide, bipartisan group of up to 25 members, appointed and re-appointed by the governor, with diverse service and volunteerism backgrounds. Serve Kentucky currently administers more than 22 AmeriCorps program grants with more than \$14.8 million in federal funds, along with supporting other community service programs across the Commonwealth.

## SP-45 Goals Summary – 91.215(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	2025	2029	Affordable Housing	Non-Entitlement Geographic Area	Production of New Affordable Housing Rehabilitation of Affordable Housing Homebuyer Rehabilitation and Development	HOME: \$16,750,000	Homeowner Housing Added: 175 Household Housing Unit  Homeowner Housing Rehabilitated: 10 Household Housing Unit
2	HOME Rental Assistance	2025	2029	Affordable Housing	Non-Entitlement Geographic Area	Rental Assistance PSH	HOME: \$10,000,000	Tenant-based rental assistance / Rapid Rehousing: 2250 Households Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
3	HOME Multifamily Activities	2025	2029	Affordable Housing	Non-Entitlement Geographic Area	Production of New Affordable Housing Rehabilitation of Affordable Housing PSH	HOME: \$29,458,190	Rental units constructed: 60 Household Housing Unit  Rental units rehabilitated: 40 Household Housing Unit
4	Emergency Shelter	2025	2029	Homeless	Non-Entitlement Geographic Area	Rental Assistance PSH Rapid Rehousing Emergency Shelter Grant Activities Homelessness Outreach Prevention of Homelessness Other Housing or Service Needs	ESG: \$13,333,030	Tenant-based rental assistance / Rapid Rehousing: 885 Households Assisted  Homeless Person Overnight Shelter: 12500 Persons Assisted  Homelessness Prevention: 375 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
5	HOPWA Activities	2025	2029	Non-Homeless Special Needs	Non-Entitlement Geographic Area	Rental Assistance PSH Other Housing or Service Needs	HOPWA: \$7,213,310	Tenant-based rental assistance / Rapid Rehousing: 150 Households Assisted  Other: 750 Other
6	CDBG Housing	2025	2029	Affordable Housing	Non-Entitlement Geographic Area	Production of New Affordable Housing Rehabilitation of Affordable Housing Homebuyer Rehabilitation and Development	CDBG: \$16,767,860	Homeowner Housing Rehabilitated: 150 Household Housing Unit
7	CDBG Economic Development	2025	2029	Non-Housing Community Development	Non-Entitlement Geographic Area	Economic Development	CDBG: \$22,584,650	Businesses assisted: 35 Businesses Assisted
8	CDBG Public Facilities	2025	2029	Non-Housing Community Development	Non-Entitlement Geographic Area	Public Facilities	CDBG: \$44,173,310	Other: 175000 Other
9	CDBG Services	2025	2029	Recovery Kentucky Services	Non-Entitlement Geographic Area	Public Services	CDBG: \$13,000,000	Other: 5500 Other

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
10	CDBG Public Improvement/Infrastructure	2025	2029	Non-Housing Community Development	Non-Entitlement Geographic Area	Public Improvements/Infrastructure	CDBG: \$29,018,515	Other: 150000 Other
11	Housing Trust Fund Multifamily Activities	2025	2029	Affordable Housing	Non-Entitlement Geographic Area	Rehabilitation of Affordable Housing	HTF: \$15,671,866	Rental units rehabilitated: 100 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>	TBRA.
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
	<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. TBRA 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 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 Improvement/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 extremely low-income, low-income, and moderate-income families over the next five years using the following resources available under HOME, ESG, HOPWA, NHTF, and CDBG:

KHC: • HOME Homeowner Activities: o 175 Household Housing Units Added o 10 Household Housing Units Rehabilitated • HOME Rental Assistance: o 2,250 Households Assisted (TBRA/RRH) • HOME Multifamily Activities: o 60 Household Rental Units Constructed o 40 Household Rental Units Rehabilitated • Emergency Shelter Grant (ESG): o 885 Households Assisted (TBRA/RRH) o 12,500 Homeless Persons Assisted Overnight Shelter o 375 Persons Assisted with Homeless Prevention • HOPWA: o 150 Households Assisted (TBRA/RRH) o 750 Other Assistance

DLG: • CDBG Housing o 150 Household Housing Units Rehabilitated • Housing Trust Fund (HTF) o 100 Household Rental Units Rehabilitated Funding is expected to be awarded to projects in non-entitlement areas of the state unless KHC determines that a portion of funding is needed to supplement projects in entitlement areas.

## **SP-50 Public Housing Accessibility and Involvement – 91.215(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 HCV program participants, provides supportive services to participants who possess a HCV 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.

### **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 or technical assistance to the public housing agency.

## **SP-55 Barriers to affordable housing – 91.215(h)**

### **Barriers to Affordable Housing**

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.

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

Action steps to remove or ameliorate the barriers to affordable housing are listed above following each impediment to fair housing choice. 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 Governor's Re-Entry Task Force has identified criminal backgrounds, especially sex offenses, as significant barriers to affordable housing and has solicited input from KICH and other stakeholders to develop a legislative agenda to address these barriers.
- KICH maintains four subcommittees that are also exploring regulatory barriers specifically affecting the homeless population. KICH identified lack of fair housing policies and limited or lack of affordable housing policies at the local government level as barriers. The need for additional access to permanent housing options is a pressing need.
- Lack of a uniform landlord-tenant law statewide in Kentucky has been seen as an issue. Advocacy groups are working to enact a statewide law that would protect renters and landlords alike.

## **SP-60 Homelessness Strategy – 91.215(d)**

### **Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs**

Because Kentucky is a primarily rural state, developing a single outreach plan to cover the full 118-county BoS CoC geographic area is a challenge. Many of the common places for rural, unsheltered homeless are remote and difficult to identify. Through the outreach efforts of the point-in-time count volunteers, the CoC has been able to identify local people in each county most likely to know of rural homeless locations (i.e., police officers, mail carriers, school bus drivers, etc.). Additionally, working with the ESG recipients, KHC encourages inclusion of street outreach as an eligible use for the state ESG allocation. Training on the eligible uses of ESG street outreach was made available across the state. KHC will continue to work closely with KICH, CoC 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 BoS. These shelters participate in the annual point-in-time count and are offered training opportunities provided by KHC on shelter best practices. Non-funded shelters are also encouraged to participate in the CoC's CES to connect participants with housing resources funded through the CoC, ESG, VA Supportive Services for Veteran Families, and the U.S. Department of Health and Family Services RHY programs.

In recent ESG funding rounds, KHC has allocated additional funding to Street Outreach 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 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 Emergency Shelter Learning Series as well as

free in-person and virtual housing-focused case management training provided through national technical assistance providers.

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 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 veterans' assistance. In addition, service providers are being linked with organizations serving veterans, both private (local SSVF programs) and public (VA Service Centers). With 14 VASH programs and five SSVF programs operating in Kentucky, the services to veterans have never been more accessible. Both the KY BoS CoC and ESG applications also provide scoring incentives for agencies targeting persons experiencing chronic homelessness.

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 PSH 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. KHC has dedicated housing assistance for 100 homeless Kentucky veterans through the Veterans Emerging Towards Transition (VETT) Program. Through the VETT program, KHC prefers 100 HCVs for qualified homeless veterans in the 87 counties KHC serves under the HCV program. This special assistance will help qualified veterans pay for housing and ultimately reduce the number of homeless veterans in Kentucky.

As a PHA, KHC has successfully deployed specialized housing vouchers across the 118-county BoS to serve persons experiencing or who have experienced homelessness, including Mainstream Vouchers, Emergency Housing Vouchers, and Stability Vouchers. KHC employs a Housing Connector Team to help

households use these vouchers by providing housing navigation services, housing-focused case management, and assistance with required paperwork, including recertifications.

**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 ESG program, the state continues to allow funds to be allocated to Homelessness Prevention.

**Add text**

The CoC collaborates with 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 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. Most persons discharged from state psychiatric hospitals return to their own home.

The CHFS Department for Behavioral Health, Developmental and Intellectual Disabilities to serve this population via the OHI, a 36-month bridge program that enables participants to become leased in permanent housing. Participants who cannot find permanent housing options in the 36-month time frame may continue OHI assistance upon approval of DBHDID until permanent housing can be secured. The goal of this initiative is to address a pressing need for housing for people who are currently in, or at risk of entering, institutions, such as psychiatric hospitals or personal care homes, or who have a history of frequent institutionalizations. By moving individuals from institutional settings to living independently

in communities of their choice, Kentucky can better serve this population and implement the mandates of the Olmstead Supreme Court decision. OHI assistance comes in the form of rental assistance, payment of security and utility deposits directly to landlords and utility companies for individuals receiving OHI housing vouchers.

The Department of Corrections discharge policy and procedures ensure every effort to secure safe housing for offenders prior to release. The first option is to determine if the individual can return to his/her home then to consider housing options with family or friends. Many offenders recognize that returning home may not allow them to be successful, and they choose to secure a home placement in a transitional living program. The transitional housing has specific requirements and seeks to assist the offender in his/her reentry process. Offenders often return to home placements with family or friends. The Department of Corrections works directly with contracted halfway houses and transitional housing placements when a family member or friend is not available to support the offenders' transition into the community. The Recovery Kentucky program assists persons with addictions. The centers are funded by DLG, KHC, the Department of Corrections, and other funds, and are expected to assist more than 2,200 persons this year. CDBG services funding and KHC rental assistance funding support more than 18 centers across the state.

## **SP-65 Lead based paint Hazards – 91.215(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 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 expensive, 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.

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 through 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, it is still a significant presence in older units constructed prior to 1980.

### **How are the actions listed above related to the extent of lead poisoning and hazards?**

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

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, National Standards for the Physical Inspection of Real Estate inspections are performed at rental properties statewide.

## **SP-70 Anti-Poverty Strategy – 91.215(j)**

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

KHC and DLG provide affordable housing and economic development opportunities to decrease the number of poverty-level families living in unsafe and unaffordable housing.

KHC's programs range from homeless and rental assistance to homeownership and housing financing programs. Self-sufficiency programs and services are also available. DLG housing programs are often, but not limited to, single-family housing rehabilitation. DLG offers many non-housing programs that focus on community and economic development to combat poverty.

Long-term anti-poverty CDBG objectives include:

- Encouraging private investment that will result in the creation of new jobs for the unemployed and underemployed.
- Discouraging the out-migration of businesses that employ and serve the local population.
- Fostering a revitalization of community structure to help communities help themselves.
- Enabling local communities to plan for future community development needs.

Housing—whether rental or ownership—is viewed as one of the major components in assisting individuals and families in overcoming the struggles of poverty. It takes a combination of many activities, such as job training and education, health and childcare assistance as well as a place to call home to effectively assist families on the continuum towards self-sufficiency. A variety of affordable housing programs across the state not only provide direct financial assistance with housing costs, but combine housing assistance with social programs, such as life skills training, job training, post-secondary education, and homeownership counseling.

SOAR is an ongoing initiative focused on assisting the poorest region of the state in overcoming poverty and providing opportunity. DLG and KHC are both participants in this initiative.

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

To meet the goal of raising the standard of living for all low-income individuals and families, DLG, KHC, and other state agencies are committed to assisting individuals in achieving employment; continuing adult education and post-secondary education; childhood development intervention; adequate and affordable childcare 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 giving assistance and technical services to low- to moderate-income persons who either currently own a small business or may start 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 HCV, 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 childcare 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 assists current and former foster care youths in achieving 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 will likely 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 CHFS 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 – 91.230**

**Describe the standards and procedures that the jurisdiction 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.

Single-family homebuyer developers funded with HOME funds are required to submit annual reports and are subject to regular monitoring as prioritized in the KHC Housing Contract Administration biannual risk assessment. All homebuyer development is subject to inspection by KHC during and at the completion of construction.

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 \$750,000 of federal funds in a fiscal year.

Each year, recipients of HOME TBRA, 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 HOME TBRA, 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. KHC HOME TBRA, 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 desk review annually, with on-site monitoring prioritized via KHC Housing Contract Administration's biennial risk assessment. However, KHC reserves the right to perform additional reviews of any program if concerns arise.

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 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 will 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 \$750,000 of federal funds in a fiscal year.