

# Executive Summary

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

### 1. Introduction

The Commonwealth of Kentucky 2026 Annual Action Plan (AAP) guides the investment of federal housing and community development funds. The AAP is a requirement of the U.S. Department of Housing and Urban Development, through which the state receives an annual entitlement, or formula grant, from each of these funds: Community Development Block Grant (CDBG), the HOME Investment Partnerships (HOME) Program, the Emergency Solutions Grant Program (ESG), the Housing Trust Fund (HTF) Program, and the Housing Opportunities for Persons with AIDS Fund (HOPWA). These funds are allocated to address housing, homelessness, and community development needs throughout the Commonwealth over the next year. The AAP includes the non-entitlement areas of the state of Kentucky. The Commonwealth uses HOME funds for affordable housing. The Commonwealth uses CDBG funds to help develop viable communities by providing decent housing and a suitable living environment and by expanding economic opportunities, principally for low- and moderate-income persons. ESG funds are used for: assisting persons experiencing literal homelessness (e.g., those living on the streets, in emergency shelters, or transitional housing, including people fleeing domestic violence, dating violence, and stalking) and those at risk of becoming homeless; homeless shelter services and operations; street outreach activities; and rapid re-housing assistance. The HOPWA program assists low-income individuals diagnosed with HIV/AIDS and their family members living with them. The Commonwealth uses HTF funds to serve the rental needs of extremely low-income households.

### 2. Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

The primary objective of HUD's Entitlement Programs is to develop viable communities through the provision of decent housing, a suitable living environment, and expanded economic opportunities.

- Goal 1: HOME Homeowner Activities. Increase the production of new affordable housing and continue to support the rehabilitation and resale of affordable housing.
- Goal 2: HOME Rental Assistance. Increase access to affordable housing through rental assistance.
- Goal 3: HOME Multifamily Activities. Increase access to housing by creating or rehabilitating affordable rental housing for low-income individuals.

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

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

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

The previous Consolidated Plan and its associated AAPs included goals and strategies to preserve existing multifamily housing and increase the supply of affordable multifamily housing units; outlined programs that focus on assisting persons with special needs and persons experiencing homelessness; and described efforts and initiatives that focused on the revision of existing programs to focus on homelessness prevention, rapid re-housing of persons experiencing homelessness, and supportive housing for persons with disabilities.

Overarching housing needs that remain constant over time are persons with special needs require supports to obtain and retain housing; households in the lowest income categories are housing cost-burdened in high numbers; and there remains a severe shortage of affordable, decent housing. Aging housing stock remains a concern. Older, single-family homes may not be energy efficient, which causes utilities to cost more and contribute to housing cost burden. Multifamily housing units constructed decades ago need rehabilitation. Affordable rental projects financed in the past are nearing the end of their affordability periods and are at risk of loss.

Future focus will remain on improving the existing housing stock, creating new affordable housing units, coordinating housing and services in partnership with other agencies for persons with special needs, and creating economic opportunities for Kentucky's families. Additional information on past performance can be found in the Consolidated Annual Performance and Evaluation Reports (CAPERS) that KHC and DLG submit to HUD each year in September. These reports are available on KHC's web site at

www.kyhousing.org, under Resources. CAPER reports include data on the number of housing units funded, number of housing units completed, economic development, infrastructure, and other community projects, as well as demographic information on households assisted under different programs.

#### **4. Summary of Citizen Participation Process and consultation process**

Summary from citizen participation section of plan.

The Citizen Participation Plan can be found on KHC's website at <https://www.kyhousing.org/Planning-Documents/Pages/Consolidated-Plan.aspx>. In accordance with the Citizen Participation Plan, prior to final development of the Action Plan, KHC and DLG held a public hearing to obtain views of citizens, public agencies, and other interested parties on community and housing needs. The hearing was advertised During February and March and was publicized using direct electronic mail notification, web announcements, and newspaper advertisements, including Spanish-language publications. At the hearing on March 24, 2026, KHC and DLG presented information regarding the allocations the State expects to receive and the range of activities that may be undertaken. The public comment period after drafting the Action Plan took place from March 30, 2026, through May 8, 2026. KHC and DLG encouraged active participation of the Plan by stakeholders who are affected by Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME) funds, Housing Opportunities for Persons with AIDS (HOPWA) funds, Emergency Shelter Grants (ESG) funds, and Housing Trust Funds (HTF).

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

Please see the attachments in the AD-26 for full remarks.

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

There were no comments or views not accepted.

#### **7. Summary**

This plan identifies the need to provide affordable housing and economic opportunities. This plan also addresses the state's intention to utilize funding using the most effective means possible.

**PR-05 Lead & Responsible Agencies - 91.300(b)**

**1. Agency/entity responsible for preparing/administering the Consolidated Plan**

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role		Name	Department/Agency
CDBG Administrator	KENTUCKY	Dept for Local Government/Office of Federal Grants	
HOPWA Administrator	KENTUCKY	KHC Housing Contract Administration	
HOME Administrator	KENTUCKY	KHC Housing Contract Administration/Multifamily	
ESG Administrator	KENTUCKY	KHC Housing Contract Administration	
HOPWA-C Administrator	KENTUCKY	KHC Housing Contract Administration	
HTF Admin	KENTUCKY	KHC Multifamily Programs	

**Table 1 – Responsible Agencies**

**Narrative**

**Consolidated Plan Public Contact Information**

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## **AP-10 Consultation - 91.110, 91.300(b); 91.315(l)**

### **1. Introduction**

KHC and DLG endeavor to consult with partners, state and federal agencies, local governments, non-profit and for-profit housing developers, citizens, and many other parties interested in providing input prior to and during the drafting of this plan. Consultation with all entities is ongoing throughout the year. In addition to formal public hearings prior to drafting the Action Plan, KHC and DLG engaged partners and other interested parties at meetings for the Kentucky Balance of State Continuum of Care (KY BoS CoC), Housing Policy Advisory Committee, Affordable Housing Trust Fund Committee, and others. These forums offer the opportunity for constant communication and feedback on needs and priorities. DLG consults, on a regular basis, with the Kentucky Division of Water DOW and Kentucky Emergency Management regarding the management of flood prone areas, public land or water resources while reviewing CDBG applications. DLG has also consulted with Kentucky Infrastructure Authority (KIA), Office of Broadband Authority and the internet services (broadband) installation in Eastern Kentucky.

The following provides additional details on these coordination activities.

#### **Provide a concise summary of the state's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies**

The state enhances coordination through the Housing Policy Advisory Committee, which plays an active role in advising KHC regarding affordable housing issues. The committee consists of 10 ex-officio state government members, 17 at-large members appointed by KHC's Board, a member of the Senate, and a member of the House of Representatives.

KHC and the state Cabinet for Health and Family Services (CHFS) work closely together on numerous initiatives, such as LIHEAP Weatherization. KHC has full-time dedicated staff tasked to coordinate housing and services initiatives funded by KHC and the Cabinet.

KHC regularly engages with the CHFS Department for Medicaid Services (DMS) and the Department for Behavioral Health, Developmental and Intellectual Disabilities regarding housing supportive services strategies.

KHC promotes the Department for Behavioral Health, Developmental and Intellectual Disabilities (DBHDID) online SOAR (SSI/SSDI, Outreach, Access, and Recovery) trainings to its partner agencies providing homeless services. SOAR teaches case managers how to thoroughly complete disability applications. With techniques from these trainings, more disability applications will be approved upon the first submission. Although SSI/SSDI will not lift households above the poverty line, it can help

households sustain an income and medical insurance, and with housing assistance, can be as sufficient as the individual has capacity to be.

Permanent supportive housing (PSH) projects funded through the Continuum of Care Program serve individuals and families experiencing homelessness where a household member has a documented disability. These projects are designed as part of the CoC strategy to promote access to housing and intensive housing-focused case management and supportive services to assist persons experiencing homelessness in the transition from streets and emergency shelters to permanent housing and promote permanent housing stabilization, especially persons experiencing chronic homelessness. The projects are renewable annually through the CoC application. KHC is also supporting the development of additional units of PSH via the HOME-ARP program and Low-Income Housing Tax Credit (LIHTC) set asides.

Please see additional details in the Narrative section below.

**Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness**

KHC is the lead planning agency for the Kentucky Balance of State Continuum of Care (118 of Kentucky's 120 counties). In addition to coordinating the Kentucky Balance of State CoC, KHC works with the state Cabinet for Health and Family Services to manage programs that assist homeless veterans, persons with persistent mental illness, and youth aging out of foster care, three populations that are at high risk of becoming homeless.

The Homeless and Housing Coalition of Kentucky is the lead agency for the Kentucky Interagency Council on Homelessness (KICH), on which KHC serves as a standing member. KICH is composed of representation from state government, nonprofit agencies, and advocacy agencies who collaborate and perform duties related to serving special needs populations, including those experiencing homelessness. Representatives of state cabinets and nonprofit organizations (including, but limited to, those who serve veterans, persons experiencing homelessness, families with children and youth aging out of foster care) are active participants on the executive committee and subcommittees.

KHC offers to other agencies that serve persons experiencing homelessness across the state the opportunity to participate in the U.S. Department of Housing and Urban Development's Continuum of Care (CoC) Program. The CoC is a local or regional system for helping people who are homeless, or at risk of homelessness, by providing housing and services appropriate to the whole range of homeless needs in the community. Through the CoC Program, agencies can serve clients with supportive services, transitional housing, permanent supportive housing, or rapid re-housing.

**Describe consultation with the Continuum(s) of Care that serves the State in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS**

The Kentucky BoS CoC process, which includes ESG planning, begins at the local level with six regions across 118 counties. KHC holds at least one meeting for the entire BoS CoC membership annually, in addition to regular meetings of the BoS CoC Advisory Board, the planning body tasked with CoC-wide planning to address homelessness. The BoS CoC Advisory Board consists of representatives from six regions within the BoS CoC as well as ex-officio members representing the Kentucky Coalition Against Domestic Violence (KCADV) and the Homeless and Housing Coalition of Kentucky (HHCK) and at-large members representing community organizations not funded through ESG or CoC. Lexington/Fayette County as well as Louisville/Jefferson County have their own CoC application process and are funded separately from the BoS CoC.

In the KY BoS CoC, homeless service providers, victim service providers, Managed Care Organizations, healthcare providers, veterans' services providers, community leaders, advocates, and homeless service clients meet annually in the six BoS CoC regions. Additionally, KHC, as Collaborative Applicant, coordinates the BoS CoC Advisory Board which guides the decisions and planning efforts affecting the BoS CoC. The BoS CoC Advisory Board, made up of 12 elected agency representatives from across each BoS CoC region and of a cross-section of homeless and special needs service providers, will continue to be a pivotal link to the BoS CoC and the larger services community. The Advisory Board will work with ESG staff on implementation of the HEARTH Act rules, analyzing system performance, and recommending funding mechanisms that allow for the best service delivery across the state and to all populations. In addition, the BoS CoC Advisory Board assists KHC with the evaluation of the Coordinated Entry System overseen and managed by KHC that makes housing referrals for persons experiencing homelessness via 15 regional BoS CoC Local Prioritization Communities (LPCs). The BoS CoC Advisory Board meets bi-monthly for continued planning and governance. At numerous planning meetings held throughout the year, participants evaluate their service delivery system, coordinate plans to avoid duplication, share resources, and establish goals for eliminating gaps in the local delivery system. This community-based process assesses services from prevention to stabilization in permanent housing, and housing retention. The BoS CoC evaluates system performance using data collected from CoC and ESG-funded agencies, along with the VA's Supportive Services for Veteran Families (SSVF) program and the U.S. Health and Human Services Runaway and Homeless Youth (RHY) program. Performance expectations for ESG and CoC-funded projects are set in collaboration between the BoS CoC Advisory Board and KHC.

KHC, as the Collaborative Applicant for the KY BoS CoC, has the unique opportunity and ability to reach out to members of the CoC to obtain feedback and guidance. Through regular BoS CoC Advisory Board meetings and annual CoC membership meetings, information is routinely shared on the anticipated timeline for the allocation of the Emergency Solutions Grant funds. CoC Webinars give KHC ESG staff an

opportunity to present information about the annual plan and to field questions from CoC partner agencies on the potential roll-out of the funding.

Additionally, KHC holds KY Bos CoC meetings where ESG staff present updates to program guidelines and request feedback on potential changes to the allocation process in future funding rounds. KHC ESG program staff also maintain regular communication with the Louisville and Lexington CoCs. This allows them to provide regular information about and receive feedback on the Kentucky ESG process. In collaboration with the BoS CoC, all ESG-funded agencies are required to participate in the BoS CoC Coordinated Entry System.

## **2. Agencies, groups, organizations and others who participated in the process and consultations**

**Table 2 – Agencies, groups, organizations who participated**

1	<b>Agency/Group/Organization</b>	Homeless and Housing Coalition of Kentucky
	<b>Agency/Group/Organization Type</b>	Housing PHA Services - Housing Services-Children Services-Elderly Persons Services-homeless Regional organization Planning organization
	<b>What section of the Plan was addressed by Consultation?</b>	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	HHCK is consulted year-round and is a partner in the management of homeless and housing goals.
2	<b>Agency/Group/Organization</b>	FAHE
	<b>Agency/Group/Organization Type</b>	Housing Services - Housing Services-Health Services-Education Regional organization Planning organization
	<b>What section of the Plan was addressed by Consultation?</b>	Economic Development

	<p><b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b></p>	<p>This agency is a partner and cooperates year-round to achieve housing and economic development goals.</p>
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**Identify any Agency Types not consulted and provide rationale for not consulting**

There were no agency types not consulted or provided an opportunity to consult. Efforts were made to include a wide range of community stakeholders. No agencies were intentionally excluded from participation. Organizations and individuals were given the opportunity to participate in a public hearing on March 24, 2026, and provide comments on the Plan during the public comment period from March 30, 2026, through May 8, 2026.

**Other local/regional/state/federal planning efforts considered when preparing the Plan**

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Kentucky Housing Corporation	Plans focus on the priority populations and activities including All In: The Federal Strategic Plan to end Homelessness (Chronically Homeless, Veterans, Families with Children and Unaccompanied Youth). ESG funds and CoC funds both give local scoring preference to agencies that target funds to be used for those populations. Additionally, Rapid Re-Housing continues to be encouraged as a successful housing delivery method under both federal funding sources.
Housing Supply Gap Analysis (2025)	Kentucky Housing Corporation	Kentucky Housing Corporation with Bowen National Research conducted the Kentucky Housing Supply Gap Analysis. The report included a comprehensive survey of the state's current and future housing supply, to provide housing providers, developers, local leaders, and nonprofit organizations a better understanding of the state of the housing market. County level and Area Development District level housing supply gaps were determined for 2024 and 2029 (projected).

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Housing Needs Assessment (2018)	Kentucky Housing Corporation	The Housing Needs Assessment provides a snapshot of housing in the state of Kentucky. The Assessment is an overview of survey results from program partners in Kentucky, and program evaluation of current KHC services, along with 2018 Kentucky demographic information. The Assessment provided a demand analysis of Multifamily Programs, Housing Choice Voucher Program, and Homeless Outreach Programs (CoC, ESG, and HOPWA). The identified demands overlap with Goal 2: HOME Rental Assistance, Goal 3: HOME Multifamily Activities, Goal 4: Emergency Shelter Grant Activities, Goal 5: HOPWA Activities, and Goal 11: Housing Trust Fund Multifamily Activities.
Kentucky Strategic Plan to End Homelessness (2018)	Kentucky Interagency Council on Homelessness	Kentucky made great strides toward improving statewide strategies to address planning and coordination of behavioral health, primary care services, and access to permanent housing to reduce homelessness. Goals established in the Strategic Plan to End Homelessness overlap with annual Action Plan goals: 1) Goal 4: Emergency Solutions Grant Activities: the Strategic Plan seeks to encourage and support agencies providing emergency shelter and/or crisis beds to lower programmatic barriers to services 2) Goal 9: CDBG Services providing support for Recovery Kentucky as the Strategic Plan seeks to strengthen the discharge process for persons exiting substance abuse programs.
Kentucky Hazard Mitigation Plan (2018)	Kentucky Emergency Management	The Commonwealth of Kentucky Enhanced Hazard Mitigation Plan for 2018 allow the Commonwealth to maximize mitigation activity and administer a comprehensive mitigation program and effectively use mitigation funding. Goal IV of the Mitigation Plan: Increase integration of commonwealth and federal agencies policies, programs, funding sources, projects, and planning (to reduce vulnerabilities to jurisdictions and to commonwealth-owned and commonwealth-operated buildings, infrastructure, and critical facilities). Overlaps with the goals of Goal 8: CDBG Public Facilities and Goal 10: CDBG Public Improvements/Infrastructure.

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Recovery Center Outcome Study Annual Report (2023)	Kentucky Housing Corporation/University of Kentucky Center on Drug & Alcohol Research	The annual report is a comprehensive review of the findings from the Recovery Kentucky program, a program to help Kentuckians recover from substance abuse, providing housing and recovery services for up to 2,200 persons. The report emphasizes the value of recovery services as a key part of the state commitment to intervening with the growing problem of substance abuse in Kentucky. This goal overlaps with Goal 9: CDBG Services providing ongoing support for Recovery Kentucky. The most recent report may be accessed at <a href="https://cdar.uky.edu/RCOS/RCOS_2023_Report.pdf">https://cdar.uky.edu/RCOS/RCOS_2023_Report.pdf</a>

**Table 3 - Other local / regional / federal planning efforts**

### Narrative

Continued from above:

KHC, through its Housing Choice Voucher program available in 87 counties, created the Kentucky Moving On initiative in 2017. The program is a partnership with the Kentucky Balance of State Continuum of Care whereby persons currently in CoC-funded permanent supportive housing units who are no longer in need of intensive case management and supportive services may transition out of the PSH-funded resource into a Housing Choice Voucher within the community. The program allows people who achieved housing stability to transition into community-based housing and frees up limited PSH resources for persons with more severe needs, such as those experiencing chronic homelessness.

Additionally, via competitive grants awarded in 2019 and 2020, KHC received 300 Mainstream Vouchers that serve households with a non-elderly member with a disability. These vouchers can serve many persons experiencing or who have experienced homelessness in need of a permanent housing subsidy. Continuum of Care partner agencies refer clients with a history of homelessness to KHC for these vouchers.

In 2019, KHC's Housing Choice Voucher program was awarded 74 Family Unification Program (FUP) vouchers to assist transition-age youth and families. The program can assist the following two household types:

- Families for whom the lack of adequate housing is a primary factor in the imminent placement of the family's child(ren) in out-of-home care or the delay in returning child(ren) to the family from out-of-home care. (No time limit on assistance for FUP families.)

- Youth 18-24 years of age who left foster care, or will leave foster care within 90 days, in accordance with a transition plan and are homeless or are at risk of becoming homeless. (Maximum of 36 months.)

Case workers with the Cabinet for Health and Family Services refer clients to KHC for Family Unification Program vouchers.

In July 2021, KHC's Housing Choice Voucher program was awarded 257 new Emergency Housing Vouchers (EHV) through the American Rescue Plan (ARP) of 2021. EHV vouchers are to address the continued impact of COVID-19 pandemic on the economy, public health, State and local governments, individuals, and businesses. The program can assist the following Individuals and families:

- Experiencing homelessness
- At Risk of Experiencing homelessness
- Fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking
- Recently homeless and for whom providing rental assistance will prevent the family's homelessness or having high risk of housing instability

Continued from above:

KHC communicates weekly with partners via the eGram electronic newsletter service. Thousands of people subscribe to this service for messages on ESG and other programs. KHC uses this tool to invite comments on various programs and policies. KHC is regularly engaged with ESG and CoC-funded service providers via regular meetings and electronic communications with the 15 regional BoS CoC Coordinated Entry System Local Prioritization Communities (LPCs) that refer persons experiencing homelessness to available housing resources.

**AP-12 Participation - 91.115, 91.300(c)**

**1. Summary of citizen participation process/Efforts made to broaden citizen participation  
Summarize citizen participation process and how it impacted goal-setting**

In accordance with the Citizen Participation Plan, prior to final development of the Action Plan, KHC and DLG held a public hearing to obtain views of citizens, public agencies, and other interested parties on community and housing needs. The hearing was advertised during February and March and was publicized using direct electronic mail notification, web announcements, and newspaper advertisements, including Spanish-language publications. At the hearing on March 24, 2026, KHC and DLG presented information regarding the allocations the State expects to receive and the range of activities that may be undertaken. The public comment period after drafting the Action Plan took place from March 30, 2026, through May 8, 2026. KHC and DLG encouraged active participation of the Plan by stakeholders who are affected by Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME) funds, Housing Opportunities for Persons with AIDS (HOPWA) funds, Emergency Shelter Grants (ESG) funds, and Housing Trust Funds (HTF).

**Citizen Participation Outreach**

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Newspaper Ad	Non-targeted/broad community	Public notices for the public hearing on March 24, 2026, were placed in the Louisville Courier-Journal and Lexington Herald-Leader. Proof of publication can be found in the appendix in Section AD-26.	There were no comments received.	There were no comments not accepted.	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
2	Newspaper Ad	Minorities  Non-English Speaking - Specify other language: Spanish	Public notices for the public hearing on March 24, 2026, were placed in the Spanish language publications Al Dia and El Kentubano. A copy of the translated notices can be found in the appendix in Section AD-26.	There were no comments received.	There were no comments not accepted.	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
3	Internet Outreach	<p>Non-targeted/broad community</p> <p>Residents of Public and Assisted Housing</p> <p>Homeless and Support Services</p>	<p>KHC maintains email distributions lists called "eGrams". Information regarding the Action Plan was distributed to recipients on these lists via e-mail. The lists are a mixture of real estate agents, mortgage lenders, single- and multifamily developers, non-profit partners (those part of the CoC, helping with ESG, and other service providers that work with KHC's Housing Contract Administration), and minority- and women-owned businesses (MBE/WBE). A copy of the eGram message can be found in the Appendix in AD-26. This eGram message contains a Notice of Public Hearing for March 24, 2026.</p>	<p>There were no comments received.</p>	<p>There were no comments not accepted.</p>	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
4	Public Hearing	Non-targeted/broad community	A public hearing was held on March 24, 2026. The transcript of the hearing is attached to this Plan in the appendix in Section AD-26.	During the public hearing, KHC received the following comments. Please see the attachments in the AD-26 for full remarks.	There were no comments not accepted.	
5	Newspaper Ad	Non-targeted/broad community	Public notices for the public comment period from March 30, 2026, to May 8, 2026, were placed in the Louisville Courier-Journal and Lexington Herald-Leader. Proof of publication can be found in the appendix in Section AD-26.	There were no comments received.	There were no comments not accepted.	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
6	Internet Outreach	Non-targeted/broad community	KHC advertised via eGrams review of the Action Plan and its associated documents on its website. The eGram invited interested parties to submit any comments during the public comment period from March 30, 2026, to May 8, 2026.	There were no comments received.	There were no comments not accepted.	

**Table 4 – Citizen Participation Outreach**

## Expected Resources

### AP-15 Expected Resources – 91.320(c)(1,2)

#### Introduction

In addition to newly allocated block grant funds, estimates of program income and recaptured funds from prior years are included in each year's allocation plan. Please note there is no Program Income expected for CDBG, HOPWA, ESG, and HTF.

#### Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	25,988,523.00	0	0	25,988,523.00	103,954,092.00	DLG expects to provide funding to projects in non-entitlement areas of the state. Priorities include: CDBG Housing, Public Services, Economic Development, and Other Housing and/or Service Needs.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	12,173,105.26	650,000.00	0.00	12,289,443.04	52,692,421.04	HOME funds address affordable housing needs.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOPWA	public - federal	Permanent housing in facilities Permanent housing placement Short term or transitional housing facilities STRMU Supportive services TBRA	1,442,662.00	0	0	1,442,662.00	5,770,648.00	Grant from U.S. Department of Housing and Urban Development dedicated to the housing needs of people living with HIV/AIDS.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	2,666,606.00	0	0	2,666,606.00	10,666,424.00	Grant from U.S. Department of Housing and Urban Development to address needs and services for persons experiencing homelessness or persons at risk of homelessness.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HTF	public - federal	Acquisition Admin and Planning Homebuyer assistance Multifamily rental new construction Multifamily rental rehab New construction for ownership	3,134,373.20	0	0	3,134,373.20	12,537,492.80	Housing Trust Fund, multifamily housing for extremely low-income and very low-income households.
Other	public - federal	Other	0	0	0	0	0	

**Table 5 - Expected Resources – Priority Table**

**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 services 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 publicly 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, , 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.

Additional affordable housing and economic development programs are currently active in the state of Kentucky although not administered under this plan or by KHC or DLG. Additional agencies and entities that offer programs and funding are:

- Kentucky Small Business Development Centers
- Kentucky Department of Behavioral Health, Developmental and Intellectual Disabilities
- Kentucky Economic Development Cabinet
- Fannie Mae
- Federal Emergency Management Agency and Kentucky Emergency Management Agency
- Federal Housing Administration
- Federal Home Loan Bank
- Kentucky Historic Preservation Office
- U.S. Department of Housing and Urban Development
- Kentucky Association of Counties
- Kentucky Department of Veterans Affairs
- Kentucky Domestic Violence Association
- Kentucky Economic Development Finance Authority (KEDFA)
- Kentucky Infrastructure Authority
- Kentucky Justice Cabinet/Department of Corrections
- Kentucky League of Cities
- Kentucky Rural Economic Development Authority
- Kentucky Transportation Cabinet
- USDA Rural Housing Service
- US Small Business Administration
- US Army Corps of Engineers
- US Veterans Administration

## Annual Goals and Objectives

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	HOME: \$5,074,923.00	Homeowner Housing Added: 33 Household Housing Unit Homeowner Housing Rehabilitated: 3 Household Housing Unit
2	HOME Rental Assistance	2025	2029	Affordable Housing	Non-Entitlement Geographic Area	Rental Assistance	HOME: \$2,000,000.00	Tenant-based rental assistance / Rapid Rehousing: 450 Households Assisted
3	HOME Multifamily Activities	2025	2029	Affordable Housing	Non-Entitlement Geographic Area	Production of New Affordable Housing Rehabilitation of Affordable Housing PSH	HOME: \$5,739,439	Rental units constructed: 20 Household Housing Unit Rental units rehabilitated: 10 Household Housing Unit

### AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e)Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
4	Emergency Shelter	2025	2029	Homeless	Non-Entitlement Geographic Area	Rental Assistance Rapid Rehousing Emergency Shelter Grant Activities Homelessness Outreach Prevention of Homelessness Other Housing or Service Needs	ESG: \$.00	Tenant-based rental assistance / Rapid Rehousing: 470 Households Assisted Homeless Person Overnight Shelter: 4150 Persons Assisted  Homeless Prevention: 120 Persons Assisted
5	HOPWA Activities	2025	2029	Non-Homeless Special Needs	Non-Entitlement Geographic Area	Rental Assistance Other Housing or Service Needs	HOPWA: \$.00	Tenant-based rental assistance / Rapid Rehousing: 40 Households Assisted Other: 320 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: \$4,570,502.00	Homeowner Housing Rehabilitated: 30 Household Housing Unit

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
7	CDBG Economic Development	2025	2029	Non-Housing Community Development	Non-Entitlement Geographic Area	Economic Development	CDBG: \$3,300,000.00	Businesses assisted: 50 Businesses Assisted
8	CDBG Public Facilities	2025	2029	Non-Housing Community Development	Non-Entitlement Geographic Area	Public Facilities Other Housing or Service Needs	CDBG: \$8,834,662.00	Other: 35000 Other
9	CDBG Services	2025	2029	Recovery Kentucky Services	Non-Entitlement Geographic Area	Public Services	CDBG: \$2,600,000.00	Other: 1100 Other
10	CDBG Public Improvement/Infrastructure	2025	2029	Non-Housing Community Development	Non-Entitlement Geographic Area	Public Improvements/Infrastructure	CDBG: \$5,803,703.00	Other: 30000 Other

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
11	Housing Trust Fund Multifamily Activities	2025	2029	Affordable Housing	Non-Entitlement Geographic Area	Production of New Affordable Housing Rehabilitation of Affordable Housing	HTF: \$2,834,373	Rental units constructed: 20 Household Housing Unit Rental units rehabilitated: 0 Household Housing Unit

**Table 6 – Goals Summary**

**Goal Descriptions**

1	<b>Goal Name</b>	HOME Homeowner Activities
	<b>Goal Description</b>	Down payment and first mortgage assistance; , owner-occupied new construction and acquisition/rehabilitation/resale.
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>	New construction of multifamily units across the Commonwealth. Secondary goal is rehabilitation of rental housing with or without acquisition; .
4	<b>Goal Name</b>	Emergency Shelter
	<b>Goal Description</b>	Emergency shelter facilities, rapid-rehousing, homeless prevention, and other eligible ESG program activities. All ESG data includes households/persons served by Victim Service Provider (VSP) organizations funded by ESG who report via a comparable database and not the Kentucky Homelessness Management Information System (KYHIMS).
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.

<b>8</b>	<b>Goal Name</b>	CDBG Public Facilities
	<b>Goal Description</b>	Eligible CDBG public facilities (i.e., Senior Centers).
<b>9</b>	<b>Goal Name</b>	CDBG Services
	<b>Goal Description</b>	Eligible CDBG public services for Recovery Kentucky.
<b>10</b>	<b>Goal Name</b>	CDBG Public Improvement/Infrastructure
	<b>Goal Description</b>	Water, wastewater and drainage projects.
<b>11</b>	<b>Goal Name</b>	Housing Trust Fund Multifamily Activities
	<b>Goal Description</b>	New construction of multifamily units across the Commonwealth. Secondary goal is rehabilitation of rental housing with or without acquisition.

## AP-25 Allocation Priorities – 91.320(d)

### Introduction:

Kentucky’s block grant funds will be distributed throughout the state on a competitive basis for eligible activities through several methods described in the individual program guidelines for each program. Units of local government, nonprofit and for-profit entities can apply for funding to carry out eligible activities. This distribution system allows eligible agencies to apply for funding for activities that will address the priority needs for their local community, as housing and community development needs vary across Kentucky. Funds awarded to local communities will also address the needs addressed in the state’s Consolidated Plan. In addition to local community needs, DLG and KHC have identified the following needs that will be addressed with funding via Kentucky’s formula allocation funds:

- The need to increase the supply of affordable homeownership and rental units;
- The need to preserve the existing supply of subsidized rental units;
- The need to identify permanent housing solutions for persons experiencing homelessness;
- The need to support local government’s efforts to increase their job and tax base;
- Improve and expand public facilities, and
- Offer services tailored to local needs.

The allocation distribution in the table below is an estimate. Depending upon the types of applications received, DLG and KHC may reallocate funding between eligible activities.

The distribution in the table below does not include administrative costs, contingencies for disasters, CHDO operating, and HMIS. CHDO set-aside has been included in homeowner activities, although CHDOs are eligible to apply for funding for all activities.

### Funding Allocation Priorities

	HOME Homeowner Activities (%)	HOME Rental Assistance (%)	HOME Multifamily Activities (%)	Emergency Shelter (%)	HOPWA Activities (%)	CDBG Housing (%)	CDBG Economic Development (%)	CDBG Public Facilities (%)	CDBG Services (%)	CDBG Public Improvement/Infrastructure (%)	Housing Trust Fund Multifamily Activities (%)	Total (%)
CDBG	0	0	0	0	0	18	13	35	10	23	0	100
HOME	30	18	52	0	0	0	0	0	0	0	0	100
HOPWA	0	0	0	0	100	0	0	0	0	0	0	100

ESG	0	0	0	100	0	0	0	0	0	0	0	100
HTF	0	0	0	0	0	0	0	0	0	0	100	100
Other RHP	0	0	0	0	0	0	0	0	0	0	0	0

**Table 7 – Funding Allocation Priorities**

**Reason for Allocation Priorities**

Housing priorities are considered equal.

**How will the proposed distribution of funds will address the priority needs and specific objectives described in the Consolidated Plan?**

HOPWA Activities (100% of HOPWA)-Funds are limited to this priority. All will be used to address HOPWA needs.

HOME Homeowner Activities (28% of HOME); HOME Rental Assistance (18% of HOME); HOME Multifamily Activities (54% of HOME)-HOME distributions seek to optimize the impact of HOME funds across the BoS. Homeowner and TBRA activities are important, but the greatest priority is on preservation and creation of affordable rental units across the state. If KHC received more HOME funding, the percentage might be recalibrated to fund more homebuyer development and TBRA.

ESG Activities (100% of ESG)-Funds are limited to this priority. All will be used to address ESG needs.

CDBG Housing (14% of CDBG); CDBG Economic Development (20% of CDBG); CDBG Public Facilities (36% of CDBG); CDBG Services (10% of CDBG); CDBG Public Improvements/Infrastructure (20% of CDBG) - CDBG distributions seeks to optimize the impact of CDBG funds across the BoS and to address demand across priorities that far outstrips available CDBG.

HTF Multifamily Activities (100% of HTF)- All will be used to address the preservation or creation of rental units affordable to extremely low-income households.

Funds are distributed based on an estimate of the types of applications the state expects to receive.

## AP-30 Methods of Distribution – 91.320(d)&(k)

### Introduction:

Each program covered by this Action Plan has a unique timeline and method for distributing its funds. Kentucky's block grant funds will be distributed throughout the state on a competitive basis for eligible activities through several methods described in the program guidelines for each program to preserve existing affordable housing and foster new affordable housing opportunities. Units of local government, nonprofit, and for-profit entities can apply for funding to carry out eligible activities, subject to the limitations of each program. This distribution system allows eligible agencies to apply for funding for activities that will address the priority needs for their community. In addition, funds awarded to local communities will also address the housing needs outlined in the state's Consolidated Plan.

Eligible activities and recipient types for each block grant program are specifically addressed in their distribution plans.

### Distribution Methods

Table 8 - Distribution Methods by State Program

1	<b>State Program Name:</b>	CDBG Program
	<b>Funding Sources:</b>	CDBG

<p><b>Describe the state program addressed by the Method of Distribution.</b></p>	<p>The HUD CDBG Program assists communities with revitalizing neighborhoods, expanding affordable housing and economic opportunities, assisting with community emergency relief, providing infrastructure, improving community facilities, and providing operational costs for Recovery Kentucky substance abuse centers. With the participation of their citizens, communities can devote these funds to a wide range of activities that best serve their own development priorities. DLG works with eligible units of local government in distributing CDBG funds, which are awarded on a competitive basis through an open application process. Local governments are best equipped to understand the needs of their individual communities and, through an open application process, present projects for funding that are ready to proceed. To strengthen gaps, DLG conducts training for local officials and grant administrators. Training acquaints the officials with the regulatory requirements of the program. Information included that assists in ensuring strong applications and successful projects includes environmental requirements, labor standards, procurement standards, fair housing and equal opportunity and concerns related to construction and housing.</p>
<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>All cities and counties in Kentucky are eligible for participation in the CDBG Program except for the cities of Ashland, Bowling Green, Covington, Elizabethtown, Henderson, Hopkinsville, Owensboro, Paducah, 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. Applications are reviewed based on the following criteria: need, necessary and reasonable expenditures of funds, and project effectiveness.</p>

<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>The CDBG Program Guidelines, including detailed information about each eligible activity, are available at: <a href="https://kydlgweb.ky.gov/FederalGrants/CDBG_cities.cfm">https://kydlgweb.ky.gov/FederalGrants/CDBG_cities.cfm</a>.</p>
<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>N/A</p>
<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	<p>N/A</p>

<p><b>Describe how resources will be allocated among funding categories.</b></p>	<ul style="list-style-type: none"> <li>• Public Facilities-\$8,834,662</li> <li>Economic Development-\$3,300,000</li> <li>Housing-\$4,570,502</li> <li>Community Projects-\$5,803,703</li> <li>Public Services (Recovery Kentucky)-\$2,600,000</li> <li>Community Emergency Relief Fund-TBD based on need</li> </ul>
<p><b>Describe threshold factors and grant size limits.</b></p>	<p>Economic Development (Traditional)-\$1,000,000 Individual; \$2,000,000 Multi-Jurisdiction</p> <p>Economic Development (Non-Traditional)-\$300,000 Individual; \$600,000 Multi-Jurisdiction</p> <p>Public Facilities- • Treatment plants: \$1,500,000 Individual; \$3,000,000 Multi-Jurisdiction • Lines/pumps/meters/tanks: \$1,250,000 Individual; \$2,500,000 Multi-Jurisdiction • Self-Help-\$300,000 Individual; \$600,000 Multi-Jurisdiction</p> <ul style="list-style-type: none"> <li>• Housing-\$1,000,000 Individual</li> <li>Community Projects-\$850,000 Individual</li> <li>Community Emergency Relief Fund-Determined on need</li> <li>Public Services (Recovery Kentucky)-\$200,000</li> </ul>

	<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	<ul style="list-style-type: none"> <li>Recipients must acknowledge that they will be required to submit performance measure information to DLG to meet this reporting requirement. As part of this process, each recipient will be required to complete a Program Completion Report at closeout. Some recipients, due to the nature of their projects (housing rehab and job creation), will report annually. There are three main components of the Performance Measurement System: Objectives, Outcomes and Indicators. Each component relates to a project activity. DLG will assign one of three objectives related to the type of activity, funding source and goal and program intent.</li> </ul> <p>Objectives include:</p> <ul style="list-style-type: none"> <li>Suitable Living Environment</li> <li>Decent Housing</li> <li>Economic Opportunity</li> <li>Improved Availability and Accessibility</li> <li>Improved Affordability</li> <li>Improved Sustainability</li> </ul>
2	<p><b>State Program Name:</b></p>	<p>ESG</p>
	<p><b>Funding Sources:</b></p>	<p>ESG</p>
	<p><b>Describe the state program addressed by the Method of Distribution.</b></p>	<p>ESG is designed for the rehabilitation or conversion of buildings for use as emergency shelter for those experiencing homelessness, for the payment of certain expenses related to operating emergency shelters, for essential services related to emergency shelters and street outreach for those experiencing homelessness, and for homelessness prevention and RRH assistance.</p>

<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>KHC awards ESG funding through a competitive application process. KHC held a renewal non-competitive funding round in 2025 for FFY25 funds of agencies who were selected for funding in the 2024 competitive application round. In the 2025 renewal round, applicants were evaluated on such areas as: local needs, applicant experience/capacity/performance, project design, community coordination, and other factors, such as adherence to best practices and participation in the KY BoS CoC's Coordinated Entry System. Subrecipients receiving funding will continue to be required to address how they will address and help eliminate fair housing impediments. In the 2025 renewal, KHC most considered an applicant's organizational capacity, project design, and community collaboration efforts. KHC will conduct the next ESG competition in the Spring/Summer of 2026.</p>
<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>N/A</p>

<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>Through a two-year competitive application process, KHC makes ESG funds available to eligible non-profits and local governments from the 118 counties in Kentucky that do not receive a direct allocation of ESG as an entitlement area. All funds will be obligated to sub-grantees within 60 days of the date KHC enters into its funding agreement with HUD. KHC accepts applications from all eligible applicants (including first-time applicants and faith-based groups). KHC held a two-year competitive application round for FFY2024 ESG funds in the summer of 2024 and will conduct the next competition in the Spring/Summer of 2026.</p>
<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	<p>N/A</p>

<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>Funding for FFY2024/FFY2025 was awarded through a two-year competitive application round held in Spring 2024. To reduce the time that families and individuals remain homeless, shorten the length of stay in the homeless system, and prevent homelessness from occurring, it is important to dedicate the resources necessary to achieve those outcomes. With the implementation of the KY BoS CoC Coordinated Entry System, it is important to consider the unique needs of local prioritization areas where collaboration is occurring. The KY BoS CoC Coordinated Entry System is implemented by utilizing smaller groupings of counties called LPCs based on Area Development District boundaries that work together to pool resources to serve those with the highest needs and divert people from the system as appropriate. Some already have RRH resources through the CoC program while other areas may not. Some areas may need more street outreach or prevention resources based on their configuration of existing community resources. KHC awarded the majority of FFY2024/FFY2025ESG funding for RRH activities, followed by Shelter activities and then Prevention and Street Outreach. KHC also allows subrecipients to request 3.75% for administrative activities. KHC also encourages applicants to request funds to support HMIS-eligible activities to ensure compliance with HUD reporting expectations and CoC strategic planning efforts.</p>
<p><b>Describe threshold factors and grant size limits.</b></p>	<p>As previously stated, FFY2024/FFY2025ESG funding was distributed to recipients through a competitive funding round held in summer 2024. In FYF24, no single application could request more than \$150,000 of the total amount of funds available. The only time a single applicant could submit more than one application is if the project's facilities are in different counties. KHC worked to award limited resources as prudently as possible and select those agencies with the greatest capacity to effectively administer the funds. The amount of funds awarded depended on how well an application scored as well as the other considerations such as expenditure rates of FFY2020, FFY2021, FFY2022, and FFY2023 ESG funding by each agency. KHC selected projects based on project viability, applicant capacity, performance, community collaboration, and program design. The goal is to achieve as much geographic distribution as possible, while ensuring that the strongest applications receive funding based on their total scores in FFY24. KHC reserves the right to award greater than \$150,000 to an organization if funds are available and the need is justified.</p>

	<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	<ul style="list-style-type: none"> <li>The distribution of funds is intended to allow partners to make progress most effectively towards the CoC’s goal of homelessness being rare, brief, and non-recurring in the KY BoS CoC. The primary outcomes KHC will monitor will be those established by HUD as part of the CoC System Performance Measures that are relevant to ESG programs, which includes:  Reduction in the average and median length of time persons remain homeless;  Reduction in the percent of persons who return to homelessness;  Reduction in the number of persons who are homeless;  Number of persons who become homeless for the first time;  Successful placement from Street Outreach; and  Successful placement in or retention of Permanent Housing</li> </ul>
3	<p><b>State Program Name:</b></p>	<p>HOME Investment Partnerships Program</p>
	<p><b>Funding Sources:</b></p>	<p>HOME</p>
	<p><b>Describe the state program addressed by the Method of Distribution.</b></p>	<ul style="list-style-type: none"> <li>Possible activities eligible for funding include, but are not limited to:  Rehabilitation for homebuyer or rental properties  Acquisition, including down payment and closing cost assistance  New construction or preservation of rental or homebuyer properties  TBRA  Demolition in conjunction with rehabilitation or new construction  Reconstruction of housing  Adaptive reuse  Homeless assistance (restricted to housing development activities for permanent housing, and tenant- based rental assistance</li> </ul>

<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>Eligibility to apply for HOME funds will be no more restrictive than that required by HUD regulations. In addition to meeting basic eligibility criteria, additional minimum threshold requirements may be set by KHC during each funding round. These thresholds will be outlined in specific funding round application guidelines. Applications may be submitted for homeownership, TBRA, and rental activities. Announcements of funding availability will be announced via KHC's eGram web service. Applications may be evaluated on factors such as: performance measures; project need/demand; financial design and feasibility; project design; capacity of the development team; regions needing new construction projects; and readiness to proceed. KHC will make every effort to work with applicants and offer technical assistance when completing an application. After an application is given a conditional commitment of funding, the applicant must submit necessary technical submission items to receive a full release of funds. In the event a recipient has not satisfactorily performed under the terms of a prior written agreement with KHC, KHC reserves the right to not accept subsequent applications. Plan for determining compliance with the 95 percent median purchase price 92.254(a)(2)(iii): The Final Rule published on January 6, 2025, established new homeownership value limits for the HOME program. These new limits apply to homeownership housing when HOME funds are committed on or after February 5, 2025, and remain in effect until HUD issues new limits. KHC will fully comply with the 95 percent median purchase price limits established annually by HUD. For existing housing, the new HOME homeownership value limit is the greater of the 95 percent of the median purchase price for the area based on Federal FHA single-family mortgage program data and other appropriate data that are available nationwide for sale of existing housing in standard condition, or the minimum limit (or floor) based on 95 percent of the statewide, nonmetropolitan area median purchase price using this data. This limit encompasses the total purchase and rehabilitation price, regardless of source of financing. KHC will use the Homeownership Value limits released by HUD annually at: HOME Maximum Purchase Price/After-Rehab Value - HUD Exchange.</p>
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<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>N/A</p>
<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>N/A</p>
<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	<p>N/A</p>

<p><b>Describe how resources will be allocated among funding categories.</b></p>	<ul style="list-style-type: none"> <li>• KHC cannot predetermine the use of HOME funds by activity. The amount of funds allocated for each activity will be based on the nature of applications received by KHC, the criteria described in the application process and the extent to which proposals are consistent with the priorities identified in this plan. KHC will make every attempt to distribute funds geographically, contingent upon overall housing demand. KHC has estimated the distribution of funds by activity based on anticipated funds and has included program income and recaptures. The distribution may change based on actual demand by activity. KHC anticipates that FFY 2026 funds will be distributed approximately as follows (as of the date of publication for comment, HUD had not announced funding):  Homeowner activities, including new construction, rehabilitation, and acquisition/rehabilitation/resale-\$5,074,923. This includes CHDO set-aside funds.  TBRA-\$2,000,000  Rental Production/Rehab-\$5,739,438.78</li> </ul>
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**Describe threshold factors and grant size limits.**

KHC imposed performance-based thresholds for HOME funds. Applicants will be required to meet annually established expenditure and commitment thresholds as spelled out in application guidelines prior to application submission. In FFY2026, KHC will allow eligible applicants to request up to \$XX of HOME funds for multifamily activities unless the project was preapproved for additional funding, and \$500,000 for single-family activities. The amount may decrease depending on the amount of available HOME funds. KHC may impose a smaller amount for first time applicants, or applicants with limited experience. KHC may allow higher amounts for multifamily projects utilizing tax-exempt bonds or based on the size and complexity of projects. In addition, KHC reserves the right to allow single-family and TBRA activities to request higher amounts if it is necessary to fully distribute HOME funding. Additionally, KHC will review the capacity of applicants and may require applicants for HOME funds to meet a minimum capacity score to be eligible for funding. Consideration will be given to factors such as past performance, current debt obligation to KHC and compliance with past funding. KHC will reserve a minimum of 15 percent of the total amount of HOME funds received for CHDOs. CHDOs apply to KHC to develop, sponsor or own projects and will be eligible to undertake any eligible activity in accordance with 24 CFR Part 92 Subpart G. Due to the extensive network of nonprofit housing providers in the state, KHC anticipates that the annual participation of CHDOs will exceed 15 percent of total HOME funds. To apply for funds from the CHDO set-aside, an organization must be eligible to be a CHDO. KHC does not accept certifications of other participating jurisdictions. KHC will evaluate the performance of any eligible organization wishing to receive CHDO designation at the time of application. If the organization is successful in the application process and is deemed a CHDO, CHDO operating funds may be awarded. CHDO operating funds will be provided on a year- by-year basis provided funds are available and the CHDO has demonstrated acceptable performance. To document its performance and be eligible to receive operating funds, the CHDO must provide quarterly progress reports. CHDO operating funds are awarded on a yearly basis coinciding with KHC's fiscal year. Draw requests for eligible expenditures may be made on a calendar quarter reimbursement. KHC has imposed a maximum direct homebuyer subsidy cap of \$50,000 per unit for and a maximum development gap subsidy cap of \$45,000 for HOME-funded homeownership activities. However, KHC reserves the right to allow subrecipients to exceed this maximum with prior written approval. All HOME funds used for homeownership activities will be required at a minimum to meet the HOME affordability period as established in 24 Part 92.254. Additional guidance on maximum subsidy cap and affordability periods will be detailed in the 2026 KHC Homebuyer Home Repair Programs Application Guidelines Scoring Criteria as well as the KHC 2026 Single-Family Homebuyer Development Policy Manual.

	<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	<p>KHC anticipates that due to the capacity and threshold requirements, there may be a limited number of applicants for funding, but by increasing the allocation amounts, applicants with greater capacity will be awarded funds. This will also allow KHC to meet the expenditure deadlines imposed with the HOME regulations in effect after February 5, 2025. Outcome measures include availability/affordability/accessibility of decent affordable housing.</p>
4	<p><b>State Program Name:</b></p>	<p>Housing Opportunities for Persons with AIDS</p>
	<p><b>Funding Sources:</b></p>	<p>HOPWA</p>
	<p><b>Describe the state program addressed by the Method of Distribution.</b></p>	<p>Any activity that qualifies under the HOPWA federal program rules may be awarded by KHC through the federally funded state HOPWA Program, provided it is consistent with the Consolidated Plan and this Action Plan. Activities eligible for funding include TBRA; Short-Term Rent, Mortgage, or Utilities; Supportive Services; Resource Identification; Housing Information Services; Permanent Housing Placement; and Administrative Fees. KHC reserves the right to further restrict any of the HOPWA program guidelines, as approved by HUD.</p>

<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>The FFY2025 allocation of HOPWA formula funding will be awarded through a competitive application held in Spring 2026. FFY2024 funds will be awarded on a renewal basis in Spring/Summer2025 with allocations made proportionally to subrecipients based in changes to formula funding from FFY2023. During the funding competition, applicants will be reviewed based on project need and agency experience and funds will be awarded on a three-year basis.</p>
<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>N/A</p>

<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>N/A</p>
<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	<p>As described earlier in this section relating to how funds are allocated and the criteria used to select project sponsors, KHC utilizes a competitive application process every three years that is open to all eligible applicants, including grassroots faith-based organizations and other community-based organizations. To be eligible to apply for funding, an organization need only meet the eligibility criteria established by HOPWA statute and regulations. KHC advertises the availability of applications on its website and notifies the public via electronic newsletters. One of the three organizations currently funded with HOPWA funds is Matthew 25 AIDS Services, which was established by the Zion United Church of Christ in Henderson, KY.</p>

<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>While KHC has not established minimum or maximum funding amounts by category, most agencies generally request the largest amount of funding for STRMU, TBRA, and services. Housing assistance in the form of long- and short-term rent subsidies continues to be in high demand in all areas of the state.</p>
<p><b>Describe threshold factors and grant size limits.</b></p>	<p>At this time, threshold limits are not restricted. The amount of funds allocated for each activity will be based on the nature of applications received by KHC. KHC will make every attempt to distribute funds geographically, contingent upon overall application submission scoring. KHC will utilize carryover funds from prior years or recaptured funds as necessary to meet the objectives of the state.</p>
<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	<p>HOPWA programs will be evaluated based on the outcome measures currently identified in the HUD 40110-D CAPER (Housing Status at program exit, reduced risk of homelessness and access to care and support), with emphasis on housing status at program exit. Because the housing portions of STRMU and TBRA are where most of the funds are utilized, the housing results will be most important.</p>

<b>5</b>	<b>State Program Name:</b>	National Housing Trust Fund
	<b>Funding Sources:</b>	HTF
	<b>Describe the state program addressed by the Method of Distribution.</b>	<p>The HTF program will be used to finance the construction or rehabilitation of affordable rental housing whose units receive rental subsidy. Activities eligible for funding include demolition in conjunction with rehabilitation or new construction, adaptive reuse of an existing structure into affordable rental units, new construction of affordable rental units, and rehabilitation of existing rental units. KHC may fund additional activities permitted by federal regulation. Activities that qualify under the HTF Rule, Sections 24 CFR 93.200 – 203, may be financed by the HTF Program, provided it is consistent with the Consolidated Plan, this Action Plan, and any Notification of Application of Funding (NOFA) or Qualified Allocation Plan (QAP) issued to award HTF funds, as they may be amended from time to time. Eligible recipients will be multifamily housing developers who meet KHC's capacity threshold and who meet the criteria for successful applications for funding for new construction or rehabilitation of affordable multifamily projects in Kentucky. Capacity is based on experience, compliance monitoring history, financial management, and additional criteria related to the status of projects in process, uncorrected compliance findings or concerns, success of current projects and properties, and credit rating of members of the development team. KHC supports development teams that have successfully undertaken multifamily development or preservation projects for affordable housing utilizing tax-exempt bonds during the preceding five years. Application submissions will be in response to the LIHTC Funding Round, which is a consolidated funding round. Notification that applications are being accepted will be made via KHC's eGram service. The LIHTC application is competitive. In addition to the bond and housing credits allocated, successful applicants may be funded from other available sources for multifamily housing, including HOME and state Affordable Housing Trust Fund. LIHTC applications will be reviewed and scored during the competitive process. The development team information received will be reviewed to ensure the development team has the capacity and financial strength to develop, construct and manage a LIHTC project. KHC's credit committee will meet to discuss and prioritize each response according to the final score and available resources.</p>

<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>KHC will focus on projects with some form of project-based rental assistance. Projects that have the highest scores based on the scoring criteria established for the LIHTC Funding Round will be considered for funding. Respondents must meet the requirements of the QAP and Multifamily Guidelines located at: <a href="https://www.kyhousing.org">https://www.kyhousing.org</a>.</p> <p>Projects must be completed and placed in service no later than 36 months after the date of the closing of all KHC funds. All projects must address one or more impediments to fair housing. Respondents must identify fair housing impediments in KHC’s AI. If the project is in a HOME participating jurisdiction, the project must also address one or more impediments in the local jurisdiction’s AI. Project Characteristics include but are not limited to: projects that preserve multifamily property; adaptively reuse a building as affordable housing; new construction projects that are part of a Community Revitalization Plan and the community has dedicated funding to support the plan. Projects that have project-based Section 8 or other rental subsidy. Market Absorption and Market Capture Requirements—all projects, define and justify the absorption period, absorption rate and capture rate for the property noting when the project is expected to achieve stabilized occupancy. Capture rates and absorption rates are required to recognize other funded projects in its market study review. If two or more projects are submitted from the same geographical region, KHC staff will determine, through market study reviews, that the targeted market for that region will be able to absorb each project, noting the impact that capture rates and market absorption will have on existing and proposed projects in the area also funded by KHC. Market study considerations may cause a property or project to be denied funding or have funding reduced during the application and technical submission phase.</p>
<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>N/A</p>

<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>N/A</p>
<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	<p>N/A</p>

<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>The single funding category for this program is the production of new multifamily housing or rehabilitation of existing multifamily housing for households who are extremely low-income (or very low-income in years where adequate funding allows for more than one income level to be served under the program regulations).</p>
<p><b>Describe threshold factors and grant size limits.</b></p>	<p>There is no maximum award amount associated with this program. KHC will work to distribute HTF funds geographically. Doing so may be limited by the location of eligible applicants and projects that receive adequate scoring to be funded. Projects must be completed within 36 months of the date of the award of HTF funds. Recipients must present a project timeline demonstrating the ability to close on all funds requested, including any bond transaction, within 18 months from application. KHC's HTF program includes a requirement that assisted units also include rental subsidy. An exception may be made for mixed-income developments or if funds remain unallocated after the issuance of a NOFA for HTF funds. . KHC's program includes a 30-year recorded land use restrictive covenant for all projects receiving HTF Funding. While KHC's priority housing needs include affordable rental and homeowner housing, and TBRA as equal priorities, KHC has focused on rental projects that create new affordable rental units as well as those that preserve existing housing stock. HTF funds will be allocated in conjunction with LIHTCs and Tax-Exempt Bonds, dependent on availability. Projects funded under the HTF will be those that receive LIHTCs and Tax-Exempt Bond financing, both of which are non-federal sources of funding, and leveraged funds will be most of the funds in the total financing of these projects.</p>

<b>What are the outcome measures expected as a result of the method of distribution?</b>	Outcome measures include availability/affordability/accessibility of decent affordable housing.
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**Discussion:**

Each program has a specific, individual method for distribution of funds. KHC and DLG periodically announce funding rounds via eGrams and on their websites.

## AP-35 Projects – (Optional)

### Introduction:

N/A

#	Project Name

Table 9 – Project Information

### Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

Kentucky’s block grant funds will be distributed statewide on a competitive basis for eligible activities through several methods described in the program guidelines for each program. Units of local government, nonprofit and for-profit entities can apply for funding to carry out eligible activities. This distribution system allows eligible agencies to apply for funding for activities that will address the priority needs for their community.

Funds awarded to local communities will also address the needs addressed in the state’s Consolidated Plan. Allocation priorities, over the past few years, remain mostly the same as the allocation percentages relate to the number of applications received and amounts requested over time. If there are emergencies, the Commissioner of DLG has authority to move funds from other program areas at any time in an amount required to address the needs. Depending upon the types of applications received, DLG may reallocate funding between eligible activities.

## AP-38 Project Summary

### Project Summary Information

Project Name	Target Area	Goals Supported	Needs Addressed	Funding	Description	Target Date	Estimate and that from activ
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## **AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii)**

### **Will the state help non-entitlement units of general local government to apply for Section 108 loan funds?**

Yes, but at this time DLG does not have an application for Section 108 loans.

### **Available Grant Amounts**

The Section 108 Loan Guarantee Program will allow Kentucky to leverage up to five times its annual CDBG allocation for large-scale economic development and community projects. Considering current market conditions and to encourage development in Kentucky, the Commonwealth is now considering applications from non-entitlement communities that the Commonwealth may submit to HUD on behalf of these communities for the Section 108 Loan Guarantee program. Funds borrowed using Section 108 requires a pledge of the Commonwealth's current and future CDBG allocations. The Section 108 program provides an additional source of funds to address significant economic development and community projects which have a regional or statewide impact.

### **Acceptance process of applications**

Applicants must submit an original and one copy of a program specific project application. Activities described in the application are reviewed to determine if they meet the fundability criteria as established in the Housing and Community Development Act. Project activities must meet one of the three National Objectives as referenced in Section II. CDBG program staff review applications and prepare a project summary/review. Staff submit their summary to a review committee designated by the Commissioner. The committee will meet and evaluate projects based on the review criteria and staff comments. The committee will determine approval, rejection, or deferral. In the event demand exceeds the amount of funds available, those projects with the greatest need and effectiveness are for funding.

## **AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)**

**Will the state allow units of general local government to carry out community revitalization strategies?**

Yes

### **State’s Process and Criteria for approving local government revitalization strategies**

DLG does not have a designated Community Revitalization Program. DLG allows communities, within the regular guidelines, to choose a specific area of focus and carry out various kinds of eligible revitalization activities, over time. A city or county may include any eligible CDBG activity in a revitalization strategy. Most of the activities fall in the Community Projects or Housing program areas. This includes projects such as senior centers, health and wellness centers, housing rehabilitation, and slum and blight removal. A community can choose to Economic Development projects as well. Many projects include partnerships with funds from other sources and participation of non-project agencies. For additional information on the process and approval of CDBG revitalization projects, please go to the DLG web page at [http://kydlgweb.ky.gov/FederalGrants/16\\_CDBG.cfm](http://kydlgweb.ky.gov/FederalGrants/16_CDBG.cfm).

## AP-50 Geographic Distribution – 91.320(f)

### Description of the geographic areas of the state (including areas of low-income and minority concentration) where assistance will be directed

CDBG: Statewide, Excluding Entitlement cities and areas. All cities and counties in Kentucky are eligible for participation in the CDBG Program except for the cities of Ashland, Bowling Green, Covington, Elizabethtown, Henderson, Hopkinsville, Owensboro, Paducah, 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.

HOME: Based upon demand for available funds, KHC will work to ensure that the HOME funds are disbursed geographically. Reservations of HOME funds will be monitored throughout the year. If deemed appropriate, KHC may discontinue allowing applications from certain areas of the state if the area has already received greater funding as compared to other areas of the state. Such a hold on applications would only continue until KHC could ascertain the demand for funds in all areas of the state.

ESG: All of Kentucky's allocation must be made available to BoS CoC cities and counties or private nonprofit organizations on a competitive basis. Because funds requested are always more than what is available, KHC will continue the practice of only funding ESG applicants serving clients in non-entitlement ESG areas. It is KHC's intention to fund eligible applicants representing a broad geographic area in the state. A competitive application was conducted in Summer 2024 to allocate ESG funds on a two-year basis with proportional renewals based on the changes in ESG entitlement funding in the second year of the grant. The next ESG competitive application will be held in Spring/Summer 2026.

HOPWA: Eligible applicants are nonprofit agencies and local governments across the state. HOPWA funding application awards have been very consistent for several years with funding reaching the entire state. HOPWA-funded agencies cover large service areas, which allows for all counties within KHC's BoS to be covered by HOPWA funding. A competitive application will be conducted in Spring 2026 to allocate FFY25 HOPWA funds on a 3-year renewable basis. HTF: Based upon demand for available funds, KHC will work to ensure that the HTF funds are disbursed geographically.

All funds are allocated through competitive funding applications submitted for eligible activities.

### Geographic Distribution

Target Area	Percentage of Funds
Non-Entitlement Geographic Area	90
Statewide	10

Table 10 - Geographic Distribution

## **Rationale for the priorities for allocating investments geographically**

In general, investments are not allocated geographically. KHC will continue to try distributing HTF funds geographically (by congressional district) dependent upon market need and eligible projects. LIHTC projects must adhere to Kentucky Housing Corporation's QAP, which includes a provision allowing KHC to allocate resources to achieve a mix of resource usage or geographical distribution of resources among Kentucky's congressional districts.

Funding allocation proposals are finalized through KHC's credit committee review. One of the purposes of the QAP is to provide as many rental housing projects as possible while considering geographical need, size and cost per unit, long-term viability depending on the funds available, applications received, and their location. As part of the credit committee's selection process, the location of all proposed projects is reviewed to determine if allocations are distributed across the state.

Not applicable for CDBG funding.

## **Discussion**

Funds under HOME, ESG, and HOPWA are targeted to areas of the state that do not receive a direct allocation from HUD. HTF funds may be allocated to projects located anywhere in Kentucky, based on project ranking and limitations addressed in any NOFA issued. For this reason, the state estimates that 90% of funds will be allocated in the target area. Additional information on HTF funds is included in the HTF Allocation Plan included in this Action Plan.

## Affordable Housing

### AP-55 Affordable Housing – 24 CFR 91.320(g)

#### Introduction:

ESG shelter activities are included in the homeless goal.

<b>One Year Goals for the Number of Households to be Supported</b>	
Homeless	3400
Non-Homeless	65
Special-Needs	365
Total	0

**Table 11 - One Year Goals for Affordable Housing by Support Requirement**

<b>One Year Goals for the Number of Households Supported Through</b>	
Rental Assistance	515
The Production of New Units	33
Rehab of Existing Units	4
Acquisition of Existing Units	0
Total	0

**Table 12 - One Year Goals for Affordable Housing by Support Type**

#### Discussion:

Homeless one-year goal includes households in emergency shelters and those who received RRH assistance. Non-homeless are those households who were assisted with homeless prevention funds. Special needs goals include those households that received HOPWA rental or short-term rental/mortgage/utility assistance. All ESG data includes households/persons served by Victim Service Provider (VSP) organizations funded by ESG.

One-year goals include:

- Rental Assistance-HOME TBRA, HOPWA TBRA, and ESG RRH assistance.
- New Units-Homeownership and rental new construction units under HOME.
- Rehab Units-HOME homebuyer acquisition/rehabilitation resale units, CDBG homeowner rehab units and HOME rental rehab units.

Goals in both tables represent units completed during the year rather than those awarded funding in keeping with HUD's annual reporting requirements.



## **AP-60 Public Housing - 24 CFR 91.320(j)**

### **Introduction:**

The KHC Tenant Assistance Program (TAP) does not manage any public housing. TAP continues to administer the HCV Program in areas of the state that are not served by a local PHA. KHC aggressively pursues any new voucher funding opportunities to add to the current capacity of the HCV program. There are 106 public housing agencies in Kentucky that manage conventional public housing units. PHAs play an important role in filling the gap between the need and supply of affordable rental housing. These agencies provide housing for over 32,000 families statewide.

### **Actions planned during the next year to address the needs to public housing**

Effective March 2025, HUD designated KHC's Housing Choice Voucher (HCV) program officially in a funding shortfall for calendar year 2025. TAP remains focused on program utilization during 2026, with a goal to expend 100% of housing assistance funds received from HUD. TAP has made program policy updates that allow the limited housing assistance received from HUD to continue to assist as many households as possible.

The TAP HCV Waiting List is currently closed due to the high volume of applicants and limited HUD funding. TAP will continue to monitor the need to open the HCV waiting list and offer new vouchers as utilization becomes available. KHC will increase outreach to potential owners to maintain an adequate supply of affordable housing for the HCV program.

KHC has been working with local PHA's as they pursue repositioning under HUD's Rental Assistance Demonstration (RAD) Program. KHC has encouraged the use of tax-exempt bond financing to assist with the RAD conversion process and have included preferences for PHA's pursuing RAD in recent NOFA opportunities.

KHC, through its HCV program available in 87 counties, created the Kentucky Moving On initiative in 2017. The program is a partnership with the KY BoS CoC, whereby persons currently in CoC-funded PSH units who are no longer in need of intensive case management and supportive services may transition out of the PSH-funded resource into a Housing Choice Voucher within the community. The program allows people who have achieved housing stability to transition into community-based housing and frees up limited PSH resources for persons with more severe needs, such as those experiencing chronic homelessness. Via competitive grants awarded in 2019 and 2020, KHC also received 300 Mainstream Vouchers that can serve households with a non-elderly member with a disability. It is anticipated these vouchers can serve many persons experiencing or who have experienced homelessness in need of a permanent housing subsidy. CoC partner agencies refer clients with a history of homelessness to KHC for these vouchers.

### **Actions to encourage public housing residents to become more involved in management and**

## **participate in homeownership**

The FSS Program, administered by KHC, provides supportive services to participants who possess a HCV when they sign a five-year contract of participation. The goal of this program is to help participants become self-sufficient by obtaining employment and becoming free of government assistance, including public housing.

FSS participants receive employment skills training, budget and credit counseling, money management tips and homeownership education. KHC also establishes a savings account with monthly deposits based on the participant's increased earnings. FSS graduates are encouraged to use the escrow funds as a down payment on a home, but this is not mandatory.

## **If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance**

KHC, as the BoS PHA, is currently designated as a High performer.

### **Discussion:**

KHC's HCV program continues to administer 74 Family Unification Program (FUP) vouchers awarded in 2019 to assist transition-age youth and families. The program can assist the following two household types:

- Families for whom the lack of adequate housing is a primary factor in the imminent placement of the family's children in out-of-home care or the delay in returning children to the family from out-of-home care. (No time limit on assistance for FUP families.)
- Youth 18-24 years of age who left foster care, or will leave foster care within 90 days, in accordance with a transition plan and are homeless or are at risk of becoming homeless. (Maximum of 36 months, assistance for youth may be extended for an additional 24 months with FSS participation.)

Case workers with the CHFS refer clients to KHC for Family Unification Program vouchers.

In July 2021, KHC's HCV program was awarded 257 new Emergency Housing Vouchers (EHV) through the American Rescue Plan (ARP) of 2021.

EHV Vouchers are a time limited program. Vouchers currently leased will maintain assistance as funding is available. EHV vouchers were created to address the continued impact of COVID-19 pandemic on the economy, public health, State and local governments, individuals, and businesses. The program assists the following Individuals and families:

- Experiencing homelessness.
- At risk of experiencing homelessness.
- Fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking.
- Recently homeless and for whom providing rental assistance will prevent the family's homelessness or having high risk of housing instability.

In June 2023, KHC's HCV program was awarded 25 Housing Stability Vouchers. The program can assist

the following individuals and families:

- Individuals and families who are currently experiencing homelessness;
- Individuals and families at risk of homelessness;
- Individuals and families fleeing or attempting to flee domestic violence, dating violence, stalking, sexual assault; and
- Veterans and families that include a veteran family member that meet one of the preceding criteria.

## **AP-65 Homeless and Other Special Needs Activities – 91.320(h)**

### **Introduction**

The state has undertaken a multi-pronged approach to ensure that homelessness is rare, brief, and non-recurring. Central to this approach is the creation of a state policy-advisory entity, KICH. KICH is composed of representation from state government, nonprofit and advocacy agencies to collaborate and perform the following functions and duties:

- Serve as the single statewide homelessness planning and policy development resource for the Commonwealth of Kentucky.
  - Review, recommend changes and update Kentucky’s 10-Year Plan to End Homelessness.
  - Monitor and oversee implementation of Kentucky’s 10-Year Plan to End Homelessness to ensure that accountability and results are consistent with the plan.
  - Serve as a state clearinghouse for information on services and housing options for the homeless.
- Conduct other activities as appropriate

Please see the appendix in AD-26 for the entirety of AP-65.

### **Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including**

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

As was discussed in SP-55, because Kentucky is a primarily rural state, developing a single outreach plan to cover the full CoC geographic area is a challenge. Many of the common places for rural, unsheltered homeless are remote and difficult to identify. Through the outreach efforts of the point-in-time count volunteers, the CoC has identified local people in each county most likely to know of rural homeless locations (i.e., police officers, mail carriers, school bus drivers, etc.). Working with the ESG recipients, KHC also 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 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.

Please see the appendix in AD-26 for the entirety of AP-65.

### **Addressing the emergency shelter and transitional housing needs of homeless persons**

Please see the appendix in AD-26 for the entirety of AP-65.

### **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 various services and housing that assist homeless veterans. Collaborations with the Kentucky Interagency Council on Homelessness have been successful in identifying resources and gaps in veterans' assistance.

Please see the appendix in AD-26 for the entirety of AP-65.

### **Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs**

Under the ESG, the state continues to allow funds to be allocated to Homelessness Prevention. 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. CMS, which hospitals must have in effect, offer 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.

Please see the appendix in AD-26 for the entirety of AP-65.

**Discussion**

Please see the appendix in AD-26 for the entirety of AP-65.

**AP-70 HOPWA Goals – 91.320(k)(4)**

<b>One year goals for the number of households to be provided housing through the use of HOPWA for:</b>	
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	150
Tenant-based rental assistance	50
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	0
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	0
Total	200

## **AP-75 Barriers to affordable housing – 91.320(i)**

### **Introduction:**

KHC completed the development of an updated AI in 2024-2025. Please see AD-25, Administration, Unique Appendices for a copy of the full document.

Many of the barriers to affordable housing in Kentucky are concentrated at the local level rather than at the state level, as cities and counties establish regulations, plans and policies that affect their jurisdiction. The overall demand for affordable housing and the lack of funding to fulfill the demand continues to be the biggest barrier statewide.

### **Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment**

- KHC shifted to a more digital approach to celebrate its work and influence change. The corporation launched “Bringing It Home with KHC” in 2023, a podcast with an accompanying blog that includes interviews with partners, and program recipients to tell the story of affordable housing in Kentucky. The blog includes success stories and news from KHC’s groundbreaking, ribbon-cuttings, home dedications, and events. The website housing both the podcast and blog is searchable and shareable worldwide, making it more accessible to a broader audience.
- Continue to allocate LIHTC funding to projects that prioritize higher opportunity areas and avoid concentrations of affordable housing.
- Evaluate tools and methods to connect people to housing, such as housing service locator tools and landlord recruitment.

### **Discussion:**

KHC will continue its efforts to create and expand housing opportunities considering the above referenced barriers. It will attempt to do so through education and funding.

KHC will continue to grow and expand its marketing efforts to communicate the need and benefits of affordable housing. It already has a robust social media presence, a widely attended Kentucky Affordable Housing Conference and a burgeoning blog and podcast. KHC aims to build on those efforts to make them even more effective in telling the story of not only the impact KHC’s programs and partners have, but also the effect affordable housing could have if fully funded and supported.

## **AP-85 Other Actions – 91.320(j)**

### **Introduction:**

The following are actions to address multiple community development issues.

### **Actions planned to address obstacles to meeting underserved needs**

Existing rental housing may be lost due to expiring contracts and affordability periods. KHC is undertaking efforts to meet this underserved need by increasing the supply of affordable rental housing for extremely low-income and very low-income households includes combining sources of funding (Housing Tax Credits, Tax-Exempt Bonds, Housing Trust Fund) to fund projects using a blend of financing mechanisms and block grant funds along with project-based rental assistance. This method of financing has allowed KHC to increase the number of housing units it can produce each year to meet this underserved need. Projects funded under the Housing Trust Fund must be deed-restricted to remain affordable for 30 years—a period much longer than other sources of funding.

Youth experiencing homelessness will continue to be assisted under CoC grants initially awarded to an eight-county region in southeastern Kentucky under Round 1 of the Youth Homelessness Demonstration Project that are now in renewal status.

In February 2022, KHC launched the Housing Connector Team to provide services for specialized voucher holders experiencing homelessness who have been referred to the Emergency Housing Voucher, Mainstream Voucher, and, as of December 2023, Supportive Housing Voucher programs. Services include: client driven unit identification, landlord outreach and negotiation, HCV application assistance, housing search and placement services, and connection to mainstream benefits. The Housing Connector Team was awarded a Rural “Special NOFO” award to continue Housing Connector Services in 99 rural Kentucky counties.

### **Actions planned to foster and maintain affordable housing**

The 2025-2029 Consolidated Plan addresses a variety of needs for affordable housing and community development that were derived from input at local levels across the state and utilizing housing data. The plan represents a wide array of needs. While one community may need rental housing production at a specific site, another community may need homeowner rehabilitation over a scattered site. For the state to address its community needs, the block grant programs require a level of flexibility for eligible activities to be undertaken. The state will support any application for funding under both federal and private sources that will assist the state in meeting any category of need for affordable housing and community development. The Housing Policy Advisory Committee consists of 10 ex-officio state government members, 17 at-large members appointed by the chairman of the Board of Directors of KHC, a member of the Senate and a member of the House of Representatives. The advisory committee submits an annual report of activities and recommendations to the governor. The Housing Policy

Advisory Committee includes numerous subcommittees, including a data subcommittee. This subcommittee reviews needs data annually and makes recommendations to KHC on priorities, which are considered when drafting each annual action plan.

Kentucky's block grant funds will be distributed statewide on a competitive basis for eligible activities through several methods described in the program guidelines for each program. The purpose of this is to preserve existing affordable housing and foster new affordable housing opportunities. Units of local government, nonprofit and for-profit entities can apply for funding to carry out eligible activities. This distribution system allows eligible agencies to apply for funding for activities that will address the priority needs for their community. In addition, funds awarded to local communities will also address the housing needs outlined in the state's Consolidated Plan.

### **Actions planned to reduce lead-based paint hazards**

### **Actions planned to reduce the number of poverty-level families**

KHC and DLG have been providing 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 assistance and Section 8 rental assistance to homeownership and

housing financing programs. 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 structure to help communities.
- 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.

To meet the goal of raising the standard of living for all low-income individuals and families, the state is committed to assisting individuals in achieving employment; continuing adult education and postsecondary education; childhood development intervention; adequate and affordable childcare for working families; increased access to health insurance coverage and the provision of affordable housing opportunities.

KHC will continue to fund the Scholar House program, designed to assist single parents in obtaining higher education. These programs have been established at several universities statewide and provide housing and childcare for single parents enrolled in college. After graduation, the family may obtain housing using a rental voucher.

DLG will continue to fund traditional economic development activities that create or retain jobs principally benefiting low- and moderate-income persons. Non-traditional 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.

### **Actions planned to develop institutional structure**

KHC and DLG will continue to partner with a diverse number of entities from private industry, non-profit organizations, 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 the HOME, ESG, HTF, and HOPWA Programs. Eligible applicants include, but are not limited to, units of local government, CHDOs, nonprofit housing organizations and for-profit developers.

Direct technical assistance from program staff for the HOME, ESG, HTF and HOPWA programs is provided on a statewide basis to all eligible applicants. After funding is awarded, implementation and administration training are available to all recipients. In addition to administering the federal block grant programs, KHC and DLG administer other programs that partner with units of local government, CHDOs, nonprofit housing organizations and for-profit developers.

Both KHC and DLG depend on the active participation of partners to accomplish the overall goals of these programs of providing affordable housing opportunities to lower-income families and individuals across Kentucky:

- KHC administers HCV Program funds in counties where there is no local housing authority. Special Purpose Vouchers such as Mainstream, Housing Stability Vouchers and Emergency Housing Voucher are administered in the BoS CoC jurisdiction.
- KHC works with HUD and the Federal Financing Bank in the administration of the Risk-Sharing Program to increase the number of safe, decent, and affordable rental units statewide. 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 will be attended by representatives of various housing and related service organizations.
- KHC and DLG work with the Recovery Kentucky Task Force and KYARR that advocates for substance abuse recovery services through long-term supportive housing, recovery programs aimed at addressing homelessness and recovery from addiction within the commonwealth.
- KHC coordinates the state's Housing Policy Advisory Committee and participates on the Kentucky Interagency Council on Homelessness.
- KHC works with nonprofit organizations across the state through the various programs offered at KHC.
- Many private housing developers utilize the Housing Credit Program, HOME, and HTF programs as well as other federal and state housing programs for the development of affordable rental housing statewide. KHC continues to maintain relationships with several private developers who utilize HOME funds to provide homeownership opportunities for low-income Kentuckians.

### **Actions planned to enhance coordination between public and private housing and social service agencies**

KICH is composed of representation from state government, nonprofit and advocacy agencies to collaborate on homeless issues. KICH Executive Committee consists of the CEO of Kentucky Housing Corporation, Secretary of Health and Family Services Cabinet, Secretary of Justice and Public Safety Cabinet, Secretary of Education Cabinet, Secretary of Transportation Cabinet, Executive Director of Administrative Office of the Courts, State Budget Director, Commissioner of Veterans Affairs, Executive Director of the Homeless and Housing Coalition of Kentucky and one member from each house of the Kentucky General Assembly appointed by the Governor.

The KICH Steering Committee consists of representatives of the Executive Committee, state government agencies, homeless advocates, and service providers. The KICH Steering Committee has five policy subcommittees that mirror the core concerns identified in the Strategic Plan to End Homelessness. The policy subcommittees are supportive housing, services and prevention, public will, and data.

Serve Kentucky (formerly the Commission on Community Volunteerism and Service) is a statewide, bipartisan group comprised of at least 15 members, appointed by the governor, with diverse service and volunteerism backgrounds. Serve Kentucky actively engages citizens in community service opportunities that enable volunteers, organizations, and businesses to share ideas and effectively collaborate to address Kentucky's needs. Serve Kentucky funding is provided by the Corporation for National and Community Service and the Kentucky General Assembly.

The Governor's Reentry Task Force—Statewide Reentry Steering Team was established to develop policy recommendations regarding the reduction of recidivism, enhancement of public safety and the furtherance of reentry efforts. The mission of Kentucky's Reentry initiative is to integrate successful offender reentry principles and practices in the Commonwealth of Kentucky state agencies and communities resulting in partnerships that improve public safety, enhance offender self-sufficiency, and reduce recidivism. The Kentucky Statewide Reentry Steering Team is developed to create a multidisciplinary work team to develop recommendations and provide information to the Governor's Reentry Task Force. The Kentucky Department for Behavioral Health, Developmental and Intellectual Disabilities coordinates funding focused on the needs of that portion of the Olmstead population with severe and persistent mental illness. These funds are used to move individuals from psychiatric hospitals and nursing facilities to apartments in the communities of their choice and for the construction of PSH as funds become available.

The network of 100-bed Recovery Kentucky Centers are drug and alcohol-free housing for persons who are homeless or at risk for homelessness due to their continued dependence on alcohol and drugs. These housing centers provide a safe and secure environment for men and women to begin a process of self-help and peer-led education that leads to long term sobriety. The Recovery Kentucky program model is designed to help the recovering alcoholic and addict regain a life of sobriety and to begin a journey toward permanent housing and self-sufficiency.

The FSS Provider Coordinating Committee is established to assist KHC with planning and implementing the FSS Program. Members are representatives from state, local, and private groups who have resources to assist low-income families and have a commitment to family self-sufficiency.

### **Discussion:**

Continued from above: Recipients of federal funds from DLG and KHC are required to adhere to federal Section 3 regulations that provide economic opportunity to low-income residents of the neighborhoods affected by the project and businesses owned by persons of low-income. KHC's Multifamily Production programs include incentives to de-concentrate poverty for new construction projects. The State's

Analysis of Impediments to Fair Housing discusses de-concentrating poverty as well. KHC's HCV Voucher program has materials in the briefing process to educate families about seeking housing that is not in a racial or ethnic area of concentrated poverty or concentrated area of housing vouchers.

## Program Specific Requirements

### AP-90 Program Specific Requirements – 91.320(k)(1,2,3)

#### Introduction:

See below.

#### Community Development Block Grant Program (CDBG) Reference 24 CFR 91.320(k)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
<b>Total Program Income:</b>	<b>0</b>

#### Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	91.00%

#### HOME Investment Partnership Program (HOME) Reference 24 CFR 91.320(k)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

An applicant that proposes to use any other form of investment not described in 25 CFR 92.205

must provide the following when applying:

- A description of the form of investment;
- Justification for the need for the form of investment; and
- A description of the proposed means of securing the investment, if any. KHC will not permit other forms of investment without prior HUD approval.
- Additionally, the only preferences applied to HOME funding are as follows:
  - For homebuyer activities: Households earning at/below 80% AMI and with non-home assets below \$50,000.
  - For rental activities: Households earning at/below 60% AMI and, projects that will create new rent-restricted multifamily units or preserve rent-restricted and/or rent-assisted multifamily properties. KHC will permit HOME- assisted homebuyer units to be acquired via lease-purchase as allowed under 24 CFR 92.254(a)(7).
  - In NOFAs for individual formula allocation programs, KHC delineates in detail the eligible applicants and beneficiaries of each program. KHC also identifies funding priorities in individual program NOFAs as well as in the LIHTC Qualified Allocation Plan.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

For homeownership activities, KHC requires all HOME funds to be repaid at the time the property is transferred to another owner.

If the property is sold, leased, refinanced, or no longer used as the primary residence of the assisted homeowner; KHC may recapture the AHTF or HOME funds. In the event the net proceeds from a sale are insufficient to repay KHC the HOME or AHTF investment, KHC will recapture the net proceeds. In the event of foreclosure, if the shared net proceeds are insufficient to repay the HOME funds, the HOME affordability may be terminated, subject to 24CFR Part 92.254(a)(5)(ii)(A).

Additional guidance on the resale and recapture provisions is available in the HOME Homebuyer Development Program Recapture/Resale Provisions guidance document appended to the corporation's Consolidated Plan.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

All HOME funds used for homeownership activities will be required, at a minimum, to meet the HOME affordability period as established in 24 CFR Part 92.254. Additional guidance on maximum subsidy cap and affordability periods will be detailed in the Homebuyer/Home Repair Programs Application Guidelines and the KHC Single-Family Homebuyer Development Policy Manual.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

KHC will not allow HOME funds to be used in the refinancing of existing debt secured by multifamily housing.

5. If applicable to a planned HOME TBRA activity, a description of the preference for persons with special needs or disabilities. (See 24 CFR 92.209(c)(2)(i) and CFR 91.220(l)(2)(vii)).

N/A

6. If applicable to a planned HOME TBRA activity, a description of how the preference for a specific category of individuals with disabilities (e.g. persons with HIV/AIDS or chronic mental illness) will narrow the gap in benefits and the preference is needed to narrow the gap in benefits and services received by such persons. (See 24 CFR 92.209(c)(2)(ii) and 91.220(l)(2)(vii)).

N/A

7. If applicable, a description of any preference or limitation for rental housing projects. (See 24 CFR 92.253(d)(3) and CFR 91.220(l)(2)(vii)). Note: Preferences cannot be administered in a manner that limits the opportunities of persons on any basis prohibited by the laws listed under 24 CFR 5.105(a).

N/A

### **Emergency Solutions Grant (ESG) Reference 91.320(k)(3)**

1. Include written standards for providing ESG assistance (may include as attachment)

See ESG Written Standards are attached to this plan.

2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

The Kentucky Balance of State CoC (KY BoS CoC) has fully implemented its Coordinated Entry System (CES) in accordance with the HUD requirements. The KY BoS CoC began implementation of its CES in July 2015, with the establishment of a pilot project in a 16-county area of the 118-county BoS. With the lessons learned from that pilot, coordinated entry has been implemented across the entire geographic area governed by CoC-implemented policies and procedures. Since the geographic area

is so large, the CoC is implementing coordinated entry by using smaller regional bodies called Local Prioritization Communities (LPCs), which mirror existing Area Development Districts (ADDs). All areas are utilizing a common assessment tool and are following policies and procedures adopted by the Ky BoS CoC Advisory Board. The KY BoS CoC has elected to utilize the VI-SPDAT as its common assessment tool. All ESG and CoC-funded agencies are required to utilize the VI-SPDAT and to work with other housing and service providers in their local prioritization areas to enroll participants in permanent housing based on the participant's level of need. KHC serves as the CES oversight entity. In November 2020, additional improvements were made to the CES based on lessons learned from multiple years of implementation, including feedback from participating organizations and participants. KHC now serves as the entity responsible for the provision of referrals to available permanent housing resources in each Local Prioritization Community via the KY Homeless Management Information System (KYHMIS). KHC has three dedicated staff members assigned to overseeing coordinated entry implementation. Four KY BoS CoC member agencies continue to receive CoC Supportive Services Only (SSO) grants to support their work as Coordinated Entry leads in their regions, and in the HUD 2021 CoC Competition, the KY BoS CoC was awarded a coordinated entry grant to support BoS-wide housing navigation services and two new regional Coordinated Entry lead grants. The KY BoS CoC Advisory Board has established a coordinated entry committee, which is charged with overseeing the implementation of coordinated entry in conjunction with KHC. The committee has worked closely with the Kentucky Coalition Against Domestic Violence to develop a process for victims of domestic violence to have access to the coordinated entry system without compromising potential privacy concerns.

3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

KHC will make ESG funds available to eligible non-profits (including community and faith-based organizations) and local governments from the 118 counties in Kentucky that do not receive ESG allocations from HUD as entitlement areas.

In 2024, KHC held a competitive application to award FFY2024 ESG dollars. Funds were awarded on a 2-year basis which will also governs the allocation of FFY2025 ESG funds.

FFY2024 applications were ranked based on score and allocations will be made based on applicant ranking, overall request, and expenditure rates from the FFY 2020, FFY2021, FFY2022. And FFY2023 ESG awards.

2024 applicants were evaluated on such areas as: local needs, applicant experience/capacity/performance, project design, community coordination, and other factors. Applicants were and will continue to be required to also address Impediments to Fair Housing and adhere to Equal Access Rules.

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR

576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

KHC can meet this requirement, as KHC's subrecipients are required to include at least one homeless or formerly homeless individual on their Board of Directors, or as a participant on an advisory board that reports directly to the subrecipient agency's Board of Directors. KHC is also engaging persons with lived experience of homelessness via a subcommittee of the CoC Advisory Board

5. Describe performance standards for evaluating ESG.

KHC has implemented ESG Performance Standards for all subrecipient agencies. The primary outcomes KHC will monitor will be those established by HUD as part of the CoC System Performance Measures that are relevant to ESG programs, which includes:

- Reduction in the average and median length of time persons remain homeless;
- Reduction in the percent of persons who return to homelessness;
- Reduction in the number of persons who are homeless;
- Number of persons who become homeless for the first time;
- Successful placement from Street Outreach; and
- Successful placement in or retention of Permanent Housing

KHC will also focus on outcomes established in All In: The Federal Strategic Plan to Prevent and End Homelessness, which calls for coordinated efforts to end homelessness for veterans, youth, families, and chronically homeless in addition to persons experiencing homelessness overall.

**Housing Trust Fund (HTF)**  
**Reference 24 CFR 91.320(k)(5)**

1. How will the grantee distribute its HTF funds? Select all that apply:

Applications submitted by eligible recipients

2. If distributing HTF funds through grants to subgrantees, describe the method for distributing HTF funds through grants to subgrantees and how those funds will be made available to state agencies and/or units of general local government. If not distributing funds through grants to subgrantees, enter "N/A".

N/A

3. If distributing HTF funds by selecting applications submitted by eligible recipients,

a. Describe the eligibility requirements for recipients of HTF funds (as defined in 24 CFR § 93.2). If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

Eligible recipients will be multifamily housing developers who meet KHC's capacity review and criteria for successful applications for funding for new construction or rehabilitation of affordable multifamily projects in Kentucky. Capacity is based on experience, compliance monitoring history, financial management, additional criteria related to the status of projects in process, uncorrected compliance findings or concerns (if any), success of current projects/properties, and credit rating of members of the development team.

To create consistency throughout the Corporation, KHC utilizes a Capacity Scorecard for all program areas that have a competitive application or formula grant allocation process. The scorecard determines the overall capacity of the Entity or Development Team member(s) that will administer the proposed project and/or program they are applying for. The scorecard is divided into three sections: Capacity Scorecard Threshold Requirements, Capacity Scorecard Self-Certifications, and Capacity Scorecard Overall Performance.

Application submissions will be in response to the Low Income Housing Tax Credit (LIHTC) application round. Notification that applications are being accepted will be made via KHC's eGram service.

b. Describe the grantee's application requirements for eligible recipients to apply for HTF funds. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

Projects that have the highest scores based on the scoring criteria established for the LIHTC Funding Round will be considered for funding. Respondents must meet the requirements of the Qualified Allocation Plan (QAP) and Multifamily Guidelines located at: <https://www.kyhousing.org>.

c. Describe the selection criteria that the grantee will use to select applications submitted by eligible recipients. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

Application submissions will be in response to the Low-Income Housing Tax Credit (LIHTC) Funding Round. Notification that applications are being accepted will be made via KHC's eGram service. The development team information received will be reviewed to ensure the development team has the capacity and financial strength to develop, construct and manage a LIHTC project with HTF funds. Projects will also need to meet market absorption and market capture rate requirements as outlined in

KHC's Market Study Requirements located at <https://www.kyhousing.org>. The required documentation received with each response will be reviewed and evaluated for completeness, accuracy, and detail. After all responses have been reviewed, KHC's credit committee will meet to discuss staff recommendations for project funding according to the score each project receives. Projects receiving the highest scores will be prioritized for funding until all available KHC funds have been allocated. The LIHTC application is competitive. Ten percent of the annual allocation will be awarded first to projects in which a nonprofit is materially participating as defined in Section 469 of the IRC. In addition to the housing credits allocated, successful applicants may be funded from other available sources for multifamily housing, including HOME, HTF, and state Affordable Housing Trust Fund. KHC's credit committee reviews final scoring prior to award announcements.

To see a full breakdown of applicant scoring please see the Qualified Allocation Plan located at: <https://www.kyhousing.org>

d. Describe the grantee's required priority for funding based on geographic diversity (as defined by the grantee in the consolidated plan). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

KHC will make every effort to distribute HTF funds geographically. The ability to do so may be limited by the location of eligible applicants and projects that receive adequate scoring to be funded. KHC's credit committee reviews final scoring and awards to ensure geographic diversity.

e. Describe the grantee's required priority for funding based on the applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Projects must be completed and placed in service no later than 36 months after the date of the closing of all KHC funds. Recipients must present a project timeline demonstrating the ability to close on all funds requested, including any bond transaction within the specified timeframe.

LIHTC projects must place in service no later than the close of the second calendar year following the calendar year in which the allocation is made in accordance with IRC Section 42(h)(1)(E)(i).

f. Describe the grantee's required priority for funding based on the extent to which the rental project has Federal, State, or local project-based rental assistance so that rents are affordable to extremely low-income families. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

KHC's HTF program includes a requirement that assisted units also include rental subsidy. An exception may be if the project is a mixed-income development or if funds remain unallocated after the issuance of an application or NOFA for HTF funds.

g. Describe the grantee's required priority for funding based on the financial feasibility of the project beyond the required 30-year period. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

A thorough review of the project's underwriting is completed prior to the funding award, which includes a review of a proposed 30-year proforma. KHC's underwriting model requires an appropriate vacancy rate, debt coverage ratio requirements, cash flow requirements, and required reserve for replacement deposits to ensure the long-term sustainability and financial feasibility for every project.

KHC's program includes a 30-year recorded land use restrictive covenant for all projects receiving HTF Funding.

h. Describe the grantee's required priority for funding based on the merits of the application in meeting the priority housing needs of the grantee (such as housing that is accessible to transit or employment centers, housing that includes green building and sustainable development features, or housing that serves special needs populations). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Application submissions will be in response to the Low Income Housing Tax Credit (LIHTC) Funding Round. The Qualified Allocation Plan uses data in many scoring items, including the percentage of units in the proposed development as compared to the number of affordable units in the county (supply), the percentage of households at or below 60% AMI in the county (demand) and scores from PolicyMap's tool based on Renter Cost Burden, Median Household Income, Employment Density and Road Network Density.

KHC understands the backlog of capital improvements in public housing throughout the Commonwealth, so a preference for projects repositioning under HUD's Rental Assistance Demonstration (RAD) Program has been included in the Tax-Exempt Bond Notice of Funding Availability.

i. Describe the grantee's required priority for funding based on the extent to which the application makes use of non-federal funding sources. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Application submissions will be in response to the Low Income Housing Tax Credit (LIHTC) Funding Round. A substantial amount of private equity is created from the investors buying the credits.

4. Does the grantee's application require the applicant to include a description of the eligible activities to be conducted with HTF funds? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

Yes

5. Does the grantee's application require that each eligible recipient certify that housing units assisted with HTF funds will comply with HTF requirements? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

Yes

**6. Performance Goals and Benchmarks.** The grantee has met the requirement to provide for performance goals and benchmarks against which the grantee will measure its progress, consistent with the grantee's goals established under 24 CFR 91.315(b)(2), by including HTF in its housing goals in the housing table on the SP-45 Goals and AP-20 Annual Goals and Objectives screens.

Yes

**7. Maximum Per-unit Development Subsidy Amount for Housing Assisted with HTF Funds.** Enter or attach the grantee's maximum per-unit development subsidy limits for housing assisted with HTF funds.

The limits must be adjusted for the number of bedrooms and the geographic location of the project. The limits must also be reasonable and based on actual costs of developing non-luxury housing in the area.

If the grantee will use existing limits developed for other federal programs such as the Low Income Housing Tax Credit (LIHTC) per unit cost limits, HOME's maximum per-unit subsidy amounts, and/or Public Housing Development Cost Limits (TDCs), it must include a description of how the HTF maximum per-unit development subsidy limits were established or a description of how existing limits developed for another program and being adopted for HTF meet the HTF requirements specified above.

The limits must be adjusted for the number of bedrooms and the geographic location of the project. The limits must also be reasonable and based on actual costs of developing non-luxury housing in the area. If the grantee will use existing limits developed for other federal programs such as the Low Income

Housing Tax Credit (LIHTC) per unit cost limits, HOME's maximum per-unit subsidy amounts, and/or Public Housing Development Cost Limits (TDCs), it must include a description of how the HTF maximum per-unit development subsidy limits were established or a description of how existing limits developed for another program and being adopted for HTF meet the HTF requirements specified above.

Pursuant to HUD Notice 15-003, Interim Policy on Maximum Per-Unit Subsidy Limits for the HOME Program, KHC has elected to utilize the HOME per-unit limits for the HTF program, as provided by HUD which establishes the following per unit maximum:

0 Bedroom - \$181,488

1 Bedroom - \$208,049

2 Bedroom - \$252,9946

3 Bedroom – \$327,293

4+ Bedroom – \$359,263

**8. Rehabilitation Standards.** The grantee must establish rehabilitation standards for all HTF-assisted housing rehabilitation activities that set forth the requirements that the housing must meet upon project completion. The grantee's description of its standards must be in sufficient detail to determine the required rehabilitation work including methods and materials. The standards may refer to applicable codes or they may establish requirements that exceed the minimum requirements of the codes. The grantee must attach its rehabilitation standards below.

In addition, the rehabilitation standards must address each of the following: health and safety; major systems; lead-based paint; accessibility; disaster mitigation (where relevant); state and local codes, ordinances, and zoning requirements; Uniform Physical Condition Standards; Capital Needs Assessments (if applicable); and broadband infrastructure (if applicable).

See attached Minimum Design Standards for New Construction, Adaptive Reuse, and Rehabilitation for Multifamily Attached Housing Units and Health and Safety Standards Chart.

The State's rehabilitation standards apply to all projects that will receive HTF funds.

**9. Resale or Recapture Guidelines.** Below, the grantee must enter (or attach) a description of the guidelines that will be used for resale or recapture of HTF funds when used to assist first-

time homebuyers. If the grantee will not use HTF funds to assist first-time homebuyers, enter “N/A”.

N/A

**10. HTF Affordable Homeownership Limits.** If the grantee intends to use HTF funds for homebuyer assistance and does not use the HTF affordable homeownership limits for the area provided by HUD, it must determine 95 percent of the median area purchase price and set forth the information in accordance with §93.305. If the grantee will not use HTF funds to assist first-time homebuyers, enter “N/A”.

The grantee has determined its own affordable homeownership limits using the methodology described in § 93.305(a)(2) and the limits are attached.

N/A

**11. Grantee Limited Beneficiaries or Preferences.** Describe how the grantee will limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population to serve unmet needs identified in its consolidated plan or annual action plan. If the grantee will not limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population, enter “N/A.”

Any limitation or preference must not violate nondiscrimination requirements in § 93.350, and the grantee must not limit or give preferences to students. The grantee may permit rental housing owners to limit tenants or give a preference in accordance with § 93.303(d)(3) only if such limitation or preference is described in the action plan.

N/A

**12. Refinancing of Existing Debt.** Enter or attach the grantee’s refinancing guidelines below. The guidelines describe the conditions under which the grantee will refinance existing debt. The grantee’s refinancing guidelines must, at minimum, demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum

level of rehabilitation per unit or a required ratio between rehabilitation and refinancing. If the grantee will not refinance existing debt, enter "N/A."

N/A

**Discussion:**

CDBG Specific: Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan: 2025, 2026, and 2027.

HOPWA Specific: Does the action plan identify the method for selecting project sponsors (including providing full access to grassroots faith-based and other community organizations)? YES

HTF Additional Information: There is no maximum award amount associated with the HTF program. Additionally, information regarding the following can be found in KHC's Multifamily Guidelines attached to this Action Plan:

- Lead-Based Paint
- Accessibility
  
- Disaster Mitigation: state building codes address earthquake resistant construction in higher risk zones; The Multifamily Guidelines address flood plain issues
- State and local Codes, Ordinances, and Zoning Requirements: Minimum Design requires compliance with State and Local codes. The Multifamily Guidelines addresses building codes and zoning
- Inspectable Areas and Observable Deficiencies from HUD's Uniform Physical Condition Standards identified by HUD as applicable to HTF-assisted housing are addressed in the Multifamily Guidelines
- Capital Needs Assessment: The Multifamily Guidelines addresses PCNA assessments and reserve accounts