

# Executive Summary

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

### 1. Introduction

The Commonwealth of Kentucky Federal Fiscal Year 2017 Action Plan (the state's FY 2018) represents a collaborative endeavor and outlines the affordable housing and community development strategies the state will utilize in allocating funding it receives from the following U.S. Department of Housing and Urban Development (HUD) block grant programs:

- HOME Investment Partnerships Program (HOME)
- Community Development Block Grant Program (CDBG)
- Emergency Solutions Grant Program (ESG)
- Housing Opportunities for Persons with AIDS Program (HOPWA)
- National Housing Trust Fund (National HTF)

KHC and DLG undertook efforts to collaborate with the general public, local governments, non-profit housing and services providers, other state agencies, housing developers, the general public with focus on notification to minorities and persons with limited English proficiency, and other interested parties through public hearings and developer forums.

This Consolidated Plan covers non-entitlement areas of the state of Kentucky. Entities requiring a Certificate of Consistency with this plan should access the Web link at: <http://www.kyhousing.org/Resources/Planning-Documents/Pages/Consolidated-Plan.aspx>.

### 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.

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Federal statutes governing these grant programs communicate three basic goals by which HUD evaluates performance under the plan. Kentucky's strategy for pursuing these three statutory goals is:

**Â Decent Housing**, which includes

- assisting homeless persons obtain affordable housing;
- assisting persons at risk of becoming homeless;
- retaining affordable housing stock;
- increasing the availability of affordable permanent housing inÂ standard condition to low-income and moderate-income families,Â particularly to members of disadvantaged minorities without discriminationÂ on the basis of race, color, religion, sex, national origin, familial status, sexual orientation,Â or disability;
- increasing the supply of supportive housing which includesÂ structural features and services to enable persons with special needs (including persons with HIV/AIDS) to live in dignity and independence; and
- providing affordable housing that is accessible to job opportunities.

**Â A Suitable Living Environment**, which includes

- improving the safety and livability of neighborhoods;
- eliminating blighting influences and the deterioration of property and facilities;
- increasing access to quality public and private facilities and services;
- reducing the isolation of income groups within areas throughÂ spatial de-concentration of housing opportunities for lower income personsÂ and the revitalization of deteriorating neighborhoods;
- restoring and preserving properties of special historic,Â architectural or aesthetic value; and
- conserving energy resources and use of renewable energy sources.

**Â Expanded Economic Opportunities**, which includes

- job creation and retention;
- establishment, stabilization and expansion of small businessesÂ (including micro-businesses);
- the provision of public services concerned with employment;
- the provision of jobs to low-income persons living in areasÂ affected by those programs and activities, or jobs resulting from carryingÂ out activities under programs covered by the plan;
- availability of mortgage financing for low-income persons atÂ reasonable rates using non-discriminatory lending practices;
- access to capital and credit for development activities thatÂ promote the long-term economic and social viability of communities; and
- empowerment and self-sufficiency for low-income persons to reduceÂ generational poverty in federally-assisted housing and public housing.

**3. Evaluation of past performance**

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

The current five-year Consolidated Plan includes goals and strategies to preserve existing multifamily housing and increase the supply of affordable multifamily housing units, as the state is in danger of losing a substantial portion of its affordable housing over the next several years. Programs that focus on assisting persons with special needs and the homeless has resulted in new programs and the revision of existing programs to focus on homelessness prevention, rapid re-housing of homeless persons, and supportive housing for persons with disabilities.

Overarching housing needs themes that remain constant over time, are that 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 that there remains a severe shortage in the supply of affordable, decent housing. The aging housing stock remains of great concern. Older single family homes may not be energy efficient, contributing to housing cost burden. Multifamily housing units constructed decades ago are in need of rehabilitation. Affordable rental projects financed years ago are nearing the end of their affordability periods and are at risk of loss.

Future focus, for the near term, 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](http://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 each program.

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

Summary from citizen participation section of plan.

KHC and DLG value input from Kentucky citizens in the planning process. Participation was solicited through legal notices, electronic mail notification to a list of over 15,000 subscribers, direct email to numerous agencies serving minorities and persons with limited English proficiency, and social media, announcing the time and location of the public hearings. DLG held a public hearing before the State and Local Government Committee of the state legislature to present the CDBG plan, and a full public hearing covering all programs was held on February 22 at KHC.

KHC and DLG consulted with numerous agencies and partners throughout the process. These consultations included direct contact, public hearings, and presentations at meetings of statutory committees and other groups.

The state made a concerted effort to solicit input from organizations that serve minorities and persons with limited English proficiency. In addition to sending notice directly to numerous organizations, the governor's office of Minority Empowerment also publicized the public hearing via its list-serve.

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

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

The public hearing held in February at KHC was not attended by any members of the general public. Eight partners attended and provided comment. Additional partners provided written comments after the hearing.

Representatives from KHC and DLG presented information on each program area. The partner agency representatives that attended commented generally, that they appreciate that KHC has preserved and continues to fund tenant-based rental activities with HOME funds and hope that KHC will continue to do so. Agencies also urged KHC to continue to fund single-family construction and rehab activities with HOME dollars, specifically in the Appalachian counties of eastern Kentucky, where homeownership is more prevalent than multifamily projects needing to be preserved.

The plan's first public comment period resulted in many comments pertaining to the allocation of HOME funds toward multifamily activities as compared to single-family activities. KHC revised the allocation numbers and those new numbers appear in this revised plan, published for a second 14-day public comment period. The second comment period is for the purpose of including the final allocations as well as ensuring that the public has sufficient opportunity to comment.

Written comments are attached.

## **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**

**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	
ESG Administrator	KENTUCKY	KHC Housing Contract Administration	
HOPWA-C Administrator	KENTUCKY	Specialized Housing Resources	

**Table 1 – Responsible Agencies**

**Narrative**

**Consolidated Plan Public Contact Information**

Bernadette Hillman

Kentucky Housing Corporation

1231 Louisville Road

Frankfort, KY 40601

BHillman@kyhousing.org

502-564-7630, extension 375

Toll free in Kentucky only: 800-633-8896

TTY711

## **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 Action Plan. Consultation with all entities is ongoing throughout the year. In addition to formal public hearings prior to drafting the Annual Action Plan, KHC and DLG engaged partners and other interested parties at meetings of the Continuum of Care, Housing Policy Advisory Committee, Kentucky Interagency Council on Homelessness, and others. These forums offer the opportunity for constant communication and feedback on needs and priorities.

With federal funding for the four block grant programs in danger of continued decrease or outright elimination, and great need continuing, many discussions were held with partners. The activities included in this plan reflect the balance between needs and available resources as DLG and KHC have best been able to balance them.

Over the next several months, KHC plans to undertake a statewide housing needs assessment, and has asked its partners to participate. The findings of this assessment will assist KHC in allocating scarce resources and will also be used as the basis for the next five-year Consolidated Plan housing needs assessment and market analysis.

### **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**

One way that state enhances coordination is through the state's Housing Policy Advisory Committee which plays an active role in advising KHC regarding affordable housing issues. The advisory 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 very closely together on numerous initiatives, including Olmstead Housing, Weatherization, and LIHEAP. KHC has full-time dedicated staff tasked to coordinate housing and services initiatives funded by KHC and the Cabinet.

KHC partners with the state Division of Behavioral Health to host SOAR (SSI/SSDI, Outreach, Access, and Recovery) trainings throughout the state. SOAR teaches case managers how to complete disability applications more thoroughly. 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 certainly can help households sustain an income and medical insurance, and with housing assistance, can be as sufficient as the individual has capacity to be.

Samaritan Projects and other permanent supportive housing projects funded through the Continuum of Care (CoC), serve homeless individuals and families with documented disabilities. These projects are designed as part of the CoC strategy to promote the development of housing and supportive services to assist homeless persons in the transition from streets and shelters to permanent housing and maximum self-sufficiency. It is renewable annually through the CoC application.

Local partnerships with community mental health agencies have been established so referrals to the Olmstead program are easily made.

KHC, through its Housing Choice Voucher program available in 87 counties, recently created the Kentucky Moving On initiative. The program is a partnership with the 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 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.

KHC and DLG continue to actively seek methods to enhance coordination.

**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 serves as the collaborative applicant and lead agency for the Balance of State Continuum of Care (KY BoS CoC), which includes 118 of Kentucky's 120 counties. KHC also is the recipient of approximately 50 CoC grants, which it sub-grants to partners across the state or administers itself (e.g. HMIS). Working with the KY BoS CoC, KHC establishes scoring criteria for the CoC Competitive Application process that encourages projects to reallocate funds from transitional housing projects to permanent housing; adopt low barrier Housing First models that focus on quickly housing participants without setting preconditions such as participation in recovery programs or setting minimum income requirements that can keep people from getting off the streets and out of emergency shelters. As of 2016, over 94 percent of the CoC's CoC program-funded projects are using the Housing First model. In addition, permanent supportive housing projects that dedicate their beds to serving chronically homeless persons receive considerably higher scoring than those who do not. In the last CoC application round, over 70 percent of the CoC's PSH beds were dedicated to serving chronically homeless. The CoC has also adopted CPD Notice 16-11, which establishes the order of prioritization for chronically homeless and persons with the highest needs. This prioritization order is used by PSH projects in the BoS regardless of whether or not their beds are formally dedicated for chronically homeless. The CoC, through the CoC program and the ESG program, has significantly increased its inventory of Rapid Rehousing (RRH) resources, which is particularly help for families experiencing homelessness.



The CoC continues to value transitional housing projects funded through the CoC program, for projects serving youth, persons in recovery, and victims of domestic violence—all of which are subpopulations HUD has deemed appropriate for transitional housing. The BoS is in the process of fully implementing its Coordinated Entry System, which is designed to move people with the highest needs as quickly as possible into permanent housing or divert people from the homeless emergency response system entirely, if possible. Through coordinated entry, limited resources are used more effectively and collaboration with multiple organizations, including those not receiving federal funding, is enhanced.

The KY BoS CoC was recently selected as one of ten communities nationwide out of 130 applicants to participate in HUD's Youth Homeless Demonstration Program, which will provide \$1.9 million to create a coordinated community plan to prevent and end homelessness and fund demonstration projects serving youth in Kentucky eight-county Promise Zone area.

In addition to coordinating the Balance of State CoC, KHC works with the state Cabinet for Health and Family Services to manage programs that assist homeless veterans and persons with persistent mental illness, both populations that are at high risk.

KHC is a member of the Kentucky Interagency Council on Homelessness (KICH). KICH is composed of representation from state government, nonprofit agencies, and advocacy agencies that collaborate and perform duties related to serving special needs populations, including the homeless. Representatives of state cabinets and nonprofit organizations (including, but limited to, those who serve veterans, homeless, families with children and youth aging out of foster care) are active participants on the executive committee and subcommittees.

**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 Balance of State CoC encompasses 118 counties and is divided into 6 regions. The planning process begins at the local level with regional planning committees. The City of Lexington as well as the City of Louisville have their own CoC application process and are funded separately from the Balance of State CoC. In addition, Louisville and Lexington are entitlement communities, receiving a direct allocation of ESG funding from HUD.

In the Kentucky Balance of State CoC, service providers, developers, community leaders, advocates, financial institutions, and homeless service clients participate at the local level and as members of the BoS CoC full membership. At local planning meetings held throughout the year, participants evaluate their service delivery system, coordinate plans in order 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 self-sufficiency in permanent housing. Most importantly, the

implementation of the CoC's Coordinated Entry System allows local planning areas to quickly identify gaps and determine whether or not CoC and ESG resources need to be repurposed. For example, the BoS CoC, which includes ESG and CoC funded agencies, uses the VI-SPDAT as its common assessment tool to determine the best housing intervention for persons who are homeless and scores people based on their severity of need. In some areas, many people are recommended for RRH, but there are currently not enough RRH resources in that area. This information is used to inform the next ESG and CoC program funding priorities.

In addition, in 2016 HUD formally established System Performance Measures CoCs must use to self-evaluate how it is doing at ensuring homelessness is rare, brief, and non-recurring and the measures are used by HUD to evaluate CoCs as part of the annual competitive application process. ESG and CoC are using these measures to evaluate their own programs and to monitor progress as a system. The CoC reviews progress on the measures and will make funding decisions, in part, based on the information it gleans from these outcomes

KHC, as the Collaborative Applicant for the Balance of State CoC, has the unique opportunity and ability to reach out to members of the CoC in order to obtain feedback and guidance. Through regional CoC 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 as well as request feedback on potential changes to the allocation process in future funding rounds. KHC staff also participate in the CoC process for the Louisville and Lexington area, attending their meetings on a regular basis or as needed. This allows them to provide regular information about and receive feedback on the Kentucky ESG process. In addition to the webinars and regional CoC meetings, KHC, as Collaborative Applicant coordinates the Balance of State CoC Board which guides the decisions affecting the CoC. The Balance of State CoC Board, made up of 12 agency representatives from across the state and of a cross-section of homeless and special needs service providers, will continue to be a pivotal link to the CoC and the larger services community.

KHC also communicates very often with partners via eGram service. Thousands of people subscribe to this service for periodic messages on ESG and other programs. KHC often uses this tool to invite comments on various programs and policies.

## **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>	Kentucky Interagency Council on Homelessness
	<b>Agency/Group/Organization Type</b>	Housing PHA Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-Victims of Domestic Violence Services-homeless Services-Health Services-Education Services-Employment Service-Fair Housing Services - Victims Health Agency Child Welfare Agency Publicly Funded Institution/System of Care Other government - Federal Other government - State Other government - County Other government - Local Regional organization Planning organization Business Leaders Civic Leaders Business and Civic Leaders Statutory Advisory Committee

	<p><b>What section of the Plan was addressed by Consultation?</b></p>	<p>Housing Need Assessment  Public Housing Needs  Homeless Needs - Chronically homeless  Homeless Needs - Families with children  Homelessness Needs - Veterans  Homelessness Needs - Unaccompanied youth  Homelessness Strategy  Non-Homeless Special Needs  HOPWA Strategy  Economic Development</p>
	<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>KICH is an active, ongoing partner in advising KHC regarding issues pertaining to homelessness. KICH consists of numerous entities that coordinate housing and services. More information about KICH is included in the above narratives.</p>
2	<p><b>Agency/Group/Organization</b></p>	<p>Homeless and Housing Coalition of Kentucky</p>
	<p><b>Agency/Group/Organization Type</b></p>	<p>Housing  PHA  Services - Housing  Services-Children  Services-Elderly Persons  Services-homeless  Regional organization  Planning organization</p>

	<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>	Public hearing attendee. This entity is consulted year-round and is a partner in the management of KICH.
3	<b>Agency/Group/Organization</b>	KENTUCKY COALITION AGAINST DOMESTIC VIOLENCE
	<b>Agency/Group/Organization Type</b>	Housing PHA Services-Victims of Domestic Violence Services - Victims 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 Strategy Non-Homeless Special Needs
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Member of KICH. This entity is consulted year-round and is also a partner.

**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.

**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	Both plans focus on the priority populations and activities including Opening Doors, the Federal Strategic Plan to end Homelessness (Chronically Homeless, Veterans, Families with Children). ESG funds and COC funds both give local scoring preference to agencies that target funds to be used for those populations. Additionally, Rapid ReHousing continues to be encouraged as a successful housing delivery method under both federal funding sources.
Comprehensive Economic Development Strategy	Area Development Districts	This plan is updated annually and coordinates with other economic development strategies undertaken by the Cabinet for Economic Development and the Department for Local Government's CDBG planning.

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

**Narrative**

Kentucky cooperates and coordinates with units of general local government extensively with regard to the CDBG program. These contacts and relationships include, but are not limited to:

- Conference round tables and the Kentucky Local Issues Conference, Kentucky Association of Counties, and Kentucky League of Cities meetings
- Meetings with Area Development District Directors, including CDBG guidelines training Information on the Department for Local Government web site contains information related to CDBG, and is accessible to local governments to aid in project planning and application submission
- The annual Public Hearing held by KHC for the Action Plan, as well as the CDBG annual hearing held with the Legislative Research Commission also acts to coordinate implementation of the program.

KHC's legislation includes provisions for statutory advisory committees, including the statewide Housing Policy Advisory Committee (HPAC) and Affordable Housing Trust Fund (AHTF) Advisory Committee. These committees include representatives from state government, the federal government, nonprofit and for-profit agencies, service agencies, homeless agencies, community housing development organizations (CHDOs), agencies who serve the homeless, and housing industry professionals. KHC encourages all members of these advisory bodies to participate in the process, provide needs and market data, and to assist KHC in soliciting feedback from other agencies and the general public.

KHC has also hosted numerous developer forums specific to multifamily housing. These forums are routinely attended by between 30 and 50 people representing developers, service providers, investors, and other partners in housing development and preservation.

## **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**

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 at least fourteen (14) days in advance of the date of the hearing and was widely publicized through the use of direct electronic mail notification, Web announcements, social media announcements, and newspaper advertisements. At this hearing KHC and DLG presented information regarding the amount of assistance the State expects to receive and the range of activities that may be undertaken.



**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	Minorities Non-English Speaking - Specify other language: Any Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing General Public	Advertised for public hearing for the Action Plan via newspaper ads and eGram service to a list of 15,000 subscribers. Advertisement included information for those with disabilities, stating the facility is accessible. Also included information for those who do not speak English who may request an interpreter.	None	None	

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	Internet Outreach	Non-targeted/broad community	Advertised for public hearing for the Action Plan via newspaper ads and eGram service to a list of 15,000 subscribers. Advertisement included information for those with disabilities, stating the facility is accessible. Also included information for those who do not speak English who may request an interpreter.	None	None	

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	Direct email contact	Minorities Non-English Speaking - Specify other language: Any	Send direct email to organizations who serve minority populations and those with limited English proficiency. Same advertisement as the other modes. Information was shared with persons served by these organizations.	None	None	

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	Advertised for public hearing for the Action Plan via newspaper ads and eGram service to a list of 15,000 subscribers. Advertisement included information for those with disabilities, stating the facility is accessible. Also included information for those who do not speak English who may request an interpreter.	None	None	

**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, an estimate of program income and recaptured funds from prior years are included in each year's allocation plan. Total allocations to activities may not equal total expected resources, because administrative funds, CHDO operating funds, and contingency funds are not included in allocations to activities.

#### Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	22,870,898	0	0	22,870,898	50,000,000	CDBG funds continue to be in danger of being cut and the expected amount of funding for future years is an estimate and may change.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	9,335,293	575,000	6,801,658	16,711,951	18,000,000	HOME funds continue to be in danger of being cut and the expected amount of funding for future years is an estimate and may change.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOPWA	public - federal	Permanent housing in facilities Permanent housing placement Short term or transitional housing facilities STRMU Supportive services TBRA	618,580	0	0	618,580	1,000,000	During the coming years, it is anticipated that the state allocation will increase due to the passage of the Opportunities Through Modernization Act of 2016 (HOTMA). Under the HOTMA, the overall state allocation is expected to increase up to 5 percent per year using the new formula unless HUD's funding is changed under the new administration's policies.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	3,119,879	0	18,291	3,138,170	5,500,000	A special award of ESG Supplemental funds accounts for the substantial increase from the previous fiscal year. Allocations in FFY2018 are not anticipated at this increased level.
Other	public - federal	Multifamily rental new construction Multifamily rental rehab	3,000,000	0	0	3,000,000	12,000,000	Housing Trust Fund, multifamily housing for extremely low-income and very low income households. National HTF funding is a new federal resource. The amount of funds available for future allocations may vary.

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 a majority of recipients have contributed a large amount of matching funds. HOME recipients have provided enough matching funds annually to allow the state to carry match forward to future years. 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. That is not the case for FFY2017.

The block grant programs governed by this Action Plan are allocated by the state through a competitive system. This system provides an incentive for applicants to include leverage and matching funds in the project that count toward federal match requirements. Some programs award points to applicants that propose more than the required leverage and matching funds. This encourages applicants to blend funds with other programs to provide for affordable housing opportunities. Other programs require a set amount of proposed match and/or leverage to be eligible for funding.

KHC encourages all HOME Program applicants to bring additional resources to their proposed programs. These funds help to extend the reach of HOME funds to assist a greater number of households. Applicants are also encouraged to contribute additional funds to their project, including, but not limited to, bank loans and other state and federal grants/loans. KHC and DLG encourage applicants to utilize several sources of funds from the private sector, state programs and local programs, which may be used to assist in meeting HUD matching requirements to increase the amount of funds available to provide affordable housing.

ESG recipients must match the funding provided with an equal value of contributions from other sources. 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. Matching funds will come from a variety of sources, both public and private.

HOPWA recipients are not required to meet a minimum match requirement, but recipients must coordinate their funding with the administration of federal and state AIDS service funding. At any time, leverage may be one of the factors used in evaluating and ranking HOPWA proposals.

In general, CDBG applicants receive higher priority for funding if they provide matching funds.

There is no matching funds requirement for national HTF project applicants. However, because these funds constitute the smallest portion of total project costs, matching and leverage funds will be provided by project-based rental assistance, bond financing, low-income housing tax credits, and other financing mechanisms. Non-federal funding will constitute a substantial portion of overall financing, ensuring adequate levels of leveraged funds. Projects proposing to locate in Louisville Metro will be required to leverage private funding that qualifies as HOME match to count toward Louisville Metro HOME match requirements.

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

None.

**Discussion**

KHC is the administering agency for the Low-Income Housing Tax Credit. This program is coordinated with HOME and other funding, including state Affordable Housing Trust Fund and KHC Housing Assistance Funds to produce and rehabilitate the maximum number of affordable rental units possible. Entities applying for tax credits apply for other forms of funding/financing through KHC by way of a consolidated application.

Several additional affordable housing and economic development programs are 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:

- Bluegrass State Skills Corporation
- Kentucky Small Business Development Centers
- 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

### 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
1	HOPWA Activities	2015	2019	Non-Homeless Special Needs	Non-Entitlement Geographic Area	Homelessness Prevention Other Housing and/or Service Needs Rental Assistance	HOPWA: \$542,867	Tenant-based rental assistance / Rapid Rehousing: 189 Households Assisted Other: 300 Other
2	HOME Homeowner Activities	2015	2019	Affordable Housing	Non-Entitlement Geographic Area	Production of New Affordable Housing Rehabilitation of Affordable Housing	HOME: \$4,317,014	Homeowner Housing Added: 38 Household Housing Unit Homeowner Housing Rehabilitated: 4 Household Housing Unit
3	HOME Rental Assistance	2015	2019	Affordable Housing	Non-Entitlement Geographic Area	Rental Assistance	HOME: \$750,000	Tenant-based rental assistance / Rapid Rehousing: 172 Households Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
4	HOME Multifamily Activities	2015	2019	Affordable Housing	Non-Entitlement Geographic Area	Acquisition/Rehabilitation of Affordable Housing Production of New Affordable Housing Rehabilitation of Affordable Housing	HOME: \$8,000,000	Rental units constructed: 30 Household Housing Unit Rental units rehabilitated: 30 Household Housing Unit
5	ESG Activities	2015	2019	Homeless	Non-Entitlement Geographic Area	Emergency/Transitional Housing For the Homeless Homelessness Outreach Homelessness Prevention Other Housing and/or Service Needs Rapid-Rehousing	ESG: 3,138,170	Homeless Person Overnight Shelter: 4,454 Persons Assisted Homelessness Prevention: 615 Persons Assisted Other: 2,096
6	CDBG Housing	2015	2019	Affordable Housing	Non-Entitlement Geographic Area	Production of New Affordable Housing Rehabilitation of Affordable Housing	CDBG: \$3,000,000	Homeowner Housing Rehabilitated: 30 Household Housing Unit
7	CDBG Economic Development	2015	2019	Non-Housing Community Development	Non-Entitlement Geographic Area	Economic Development	CDBG: \$4,400,000	Businesses assisted: 7 Businesses Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
8	CDBG Public Facilities	2015	2019	Non-Housing Community Development	Non-Entitlement Geographic Area	Public Facilities	CDBG: \$5,419,635	Other: 35000 Other
9	CDBG Services	2015	2019	Recovery Kentucky Services	Non-Entitlement Geographic Area	Public Services	CDBG: \$3,100,000	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 1100 Persons Assisted
10	CDBG Public Improvements/Infrastructure	2015	2019	Non-Housing Community Development	Non-Entitlement Geographic Area	Public Improvements/Infrastructure	CDBG: \$6,600,000	Other: 30 Other
11	HTF Multifamily Activities	2015	2019	Affordable Housing	Statewide	Acquisition/Rehabilitation of Affordable Housing Production of New Affordable Housing Rehabilitation of Affordable Housing	Housing Trust Fund: \$3,000,000	Rental units constructed: 2 Household Housing Unit Rental units rehabilitated: 15 Household Housing Unit

Table 6 – Goals Summary

## Goal Descriptions

<b>1</b>	<b>Goal Name</b>	HOPWA Activities
	<b>Goal Description</b>	Provide decent affordable housing to eligible clients and assist in gaining permanent housing or maintaining current housing stability by way of supportive services, case management and financial assistance for housing.
<b>2</b>	<b>Goal Name</b>	HOME Homeowner Activities
	<b>Goal Description</b>	Rehabilitation of owner-occupied housing, new construction, and/or financing of affordable homeowner housing. Includes CHDO activities.
<b>3</b>	<b>Goal Name</b>	HOME Rental Assistance
	<b>Goal Description</b>	Short-term tenant-based rental assistance.
<b>4</b>	<b>Goal Name</b>	HOME Multifamily Activities
	<b>Goal Description</b>	Funds for new construction and/or rehabilitation of multifamily housing units.
<b>5</b>	<b>Goal Name</b>	ESG Activities
	<b>Goal Description</b>	

6	<b>Goal Name</b>	CDBG Housing
	<b>Goal Description</b>	<p>DLG hopes to assist in the rehabilitation of 30 housing units during this program year.</p> <p>Goal: To improve the condition of housing and expand fair housing opportunities especially for persons of low and moderate income (LMI).</p> <p>Description:</p> <ul style="list-style-type: none"> <li>a. Encourage the rehabilitation of appropriate existing housing units.</li> <li>b. Encourage the creation of new housing units including adaptive reuse of suitable structures.</li> <li>c. Encourage the purchase and preparation of sites for construction of new housing units for persons of low and moderate income.</li> <li>d. Eliminate blight conditions in residential areas through demolition, code enforcement and related activities.</li> </ul>
7	<b>Goal Name</b>	CDBG Economic Development
	<b>Goal Description</b>	<p>The economic development program would like to assist at least seven businesses.</p> <p>Goal: To improve local economies and the economic well-being of the people of Kentucky while protecting the environment.</p> <p>Description:</p> <ul style="list-style-type: none"> <li>a. Encourage private investment that will result in the creation of new jobs, primarily for the unemployed and underemployed.</li> <li>b. Discourage the out migration of businesses that employ and serve the local population</li> </ul>



<b>8</b>	<b>Goal Name</b>	CDBG Public Facilities
	<b>Goal Description</b>	<p>The DLG Public Facilities section completed 60 activities last year and hopes to have a similar number this year. Expect beneficiaries to exceed 35,000. These are the same beneficiaries described in the public improvements goal.</p> <p>Goal: To improve the quality of life through funding community projects requested by individual communities to enhance community pride and involvement and perpetuate local identity.</p> <p>Description:</p> <ul style="list-style-type: none"> <li>a. Enable local communities to provide services they have determined are important but generally cannot afford.</li> <li>b. Foster a revitalization of community structure to help communities help themselves.</li> <li>c. Promote energy efficiency in new construction and rehabilitation projects especially the use of Energy Star qualified products.</li> </ul>
<b>9</b>	<b>Goal Name</b>	CDBG Services
	<b>Goal Description</b>	<p>Expect to assist 1,100 persons annually.</p> <p>Goal: To improve the lives of citizens by helping them overcome chemical addictions and avoid the risk of homelessness.</p> <p>Description:</p> <ul style="list-style-type: none"> <li>a. Provide operational costs to support new and existing residential substance abuse centers.</li> <li>b. Provide support to educational programs for at-risk or LMI persons with substance abuse issues.</li> </ul>

<b>10</b>	<b>Goal Name</b>	CDBG Public Improvements/Infrastructure
	<b>Goal Description</b>	<p>Activities funded under this category are included in the public facilities goal and make up a significant portion of the LMI beneficiaries assisted.</p> <p>Goal: To provide public facilities to eliminate conditions which are detrimental to the public health and safety and which thus detract from further community development or which are necessary to meet other essential community needs.</p> <p>Description:</p> <p>a. Improve existing public facilities.</p> <p>b. Provide new facilities when warranted by recent population growth or when essential needs exist.</p>
<b>11</b>	<b>Goal Name</b>	HTF Multifamily Activities
	<b>Goal Description</b>	New construction or rehabilitation of existing affordable multifamily rental units for households that are extremely low income or very low income.

**Table 7 – Goal Descriptions**

## 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 program guidelines for each program. Units of local government, nonprofit and for-profit entities will be able to 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 needs addressed in the state’s Consolidated Plan.

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

	HOPWA Activities (%)	HOME Homeowner Activities (%)	HOME Rental Assistance (%)	HOME Multifamily Activities (%)	ESG Activities (%)	CDBG Housing (%)	CDBG Economic Development (%)	CDBG Public Facilities (%)	CDBG Services (%)	CDBG Public Improvements/Infrastructure (%)	HTF Multifamily Activities (%)
CDBG	0	0	0	0	0	13	20	24	14	29	0
HOME	0	24	12	64	0	0	0	0	0	0	0
HOPWA	100	0	0	0	0	0	0	0	0	0	0
ESG	0	0	0	0	100	0	0	0	0	0	0
Other Housing Trust Fund	0	0	0	0	0	0	0	0	0	0	100

Table 8 – 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?**

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 for the purposes of preserving existing affordable housing as well as fostering new affordable housing opportunities. Units of local government, nonprofit and for-profit entities will be able to 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 9 - Distribution Methods by State Program**

1	<b>State Program Name:</b>	Community Development Block Grant 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 provides assistance to communities for use in 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 particular development priorities.</p> <p>DLG works directly 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 in this process, 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 with the exception of the cities of Ashland, Bowling Green, Covington, Elizabethtown, Henderson, Hopkinsville, Owensboro, the City of Lexington/Fayette County and City of Louisville/Jefferson County Metro Government which receive a direct allocation of CDBG funds from the federal government.</p> <p>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 - \$6,600,000</li> <li>• Economic Development - \$4,400,000</li> <li>• Housing - \$3,000,000</li> <li>• Community Projects - \$5,419,635</li> <li>• Public Services (Recovery Kentucky) - \$3,100,000</li> <li>• Community Emergency Relief Fund - TBD based on need</li> </ul> <p>Some minor adjustment of the split of funds is possible depending on the actual number of applications and amount requested by applicants. DLG reserves the right to make those adjustments as necessary.</p> <p>The Commissioner of DLG reserves the right to adjust the amount and split of funds in case of a natural disaster based on an Emergency Declaration by the Governor. The resulting projects must meet the qualifying factors for Activities Designed to Meet Community Development Needs Having a Particular Urgency. In such instances, funding levels can be adjusted as necessary based on the extent and severity of the emergency.</p>



<p><b>Describe threshold factors and grant size limits.</b></p>	<ul style="list-style-type: none"> <li>• Economic Development (Traditional) - \$1,000,000 Individual; \$2,000,000 Multi-Jurisdiction</li> <li>• Economic Development (Non-Traditional) - \$250,000 Individual; \$500,000 Multi-Jurisdiction</li> <li>• Public Facilities - \$1,000,000 Individual; \$2,000,000 Multi-Jurisdiction</li> <li>• Self-Help - \$250,000 Individual; \$500,000 Multi-Jurisdiction</li> <li>• Housing - \$1,000,000 Individual</li> <li>• Community Projects - \$500,000 Individual</li> <li>• Community Emergency Relief Fund (CERF)- \$100,000 Individual</li> <li>• Public Services (Recovery Kentucky) Existing Facilities - \$220,000</li> <li>• Public Services (Recovery Kentucky) New Facilities - \$300,000</li> </ul> <p>Each jurisdiction must choose whether to submit a Public Facilities, Housing or Community Project application. Only one application may be submitted per year for the three areas listed above. In addition, an applicant may submit one application in the Public Services (Recovery Kentucky) program area. A jurisdiction is not limited in the number of applications in the CERF and Economic Development program areas. Only one program area may be applied for per application.</p>
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	<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	<p>Recipients must acknowledge that they will be required to submit performance measure information to DLG in order 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.</p> <p>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/program intent.</p> <p>Objectives include:</p> <ul style="list-style-type: none"> <li>• Suitable Living Environment</li> <li>• Decent Housing</li> <li>• Economic Opportunity</li> </ul> <p>The next step will be selection of an outcome based upon the purpose of the activity.</p> <p>Outcomes include:</p> <ul style="list-style-type: none"> <li>• Improved Availability/Accessibility</li> <li>• Improved Affordability</li> <li>• Improved Sustainability</li> </ul> <p>In addition to selecting an objective and outcome for each project activity, certain indicators will be required to be identified and quantified. These indicators vary by program area (CERF, Community Projects, Economic Development, Housing, Public Facilities, and Public Services).</p>
2	<p><b>State Program Name:</b></p>	<p>Emergency Solutions Grant Program</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 the homeless, for the payment of certain expenses related to operating emergency shelters, for essential services related to emergency shelters and street outreach for the homeless, and for homelessness prevention and rapid re-housing 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>Funds will be awarded using a competitive application process where applicants will be evaluated on such areas as: local needs, applicant experience/capacity/performance, project design, community coordination, and other factors. Applicants will also address Impediments to Fair Housing and how they will address and help eliminate fair housing impediments. KHC intends to most heavily consider an applicant capacity, project design, and community collaboration efforts.</p> <p>Applications will be ranked based on score and allocations will be made based on applicant ranking and overall request. KHC reserves the right to fund portions of an applicant's request based on factors such as priority needs in the applicant's service area. In addition, KHC reserves the right to consider additional factors such as geographic distribution of funds and may elect to make allocation adjustments accordingly.</p> <p>Funds from ESG Supplemental funding may be added to the competitive allocation process. KHC reserves the right to use Supplemental funding for special initiatives to meet Continuum of Care established goals and objectives.</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 competitive application process, KHC will make 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).</p> <p>KHC will implement a two-year competitive funding cycle beginning in federal fiscal year 2017, whereby programs that receive funding in FFY 2017 will be eligible for renewal in FFY 2018 so long as certain thresholds are met and assuming funds are available from HUD. This move is intended to allow for more program consistency for clients accessing services and will allow programs the opportunity to plan beyond one year. KHC will establish policies in the FFY 2018 Action Plan for how to award funds that become available due to agencies electing not to renew or other similar circumstances. If funds that are sub-granted to agencies as part of the FFY 17 allocation become available before the grant term expires (e.g., an agency ceases to exist or is unable to spend all of its allocation), KHC reserves the right to determine the most effective process for redistribution at such time, which may include another competitive process, a proportional distribution, or another method deemed most judicious at the time.</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>In an effort 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 BoS Coordinated Entry System, it is important to consider the unique needs of local prioritization areas where collaboration is actually occurring. The BoS Coordinated Entry System is being implemented by utilizing smaller groupings of counties (e.g. area development districts) 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 be in need of more street outreach or prevention resources based on their configuration of existing community resources. While KHC will continue to strongly emphasize RRH, it will encourage local areas to request the funding components most needed in their communities and justify such a decision accordingly.</p>
<p><b>Describe threshold factors and grant size limits.</b></p>	<p>Previous years allocation levels do <b>not</b> guarantee current allocation amounts.</p> <p>No single application may request more than \$150,000 of the total amount of funds available. The only time a single applicant can submit more than one application is if the project's facilities are located in different counties. No more than two applications will be accepted from any single applicant. KHC reserves the right to amend the grant size limit or the number of applications a single applicant may submit if it is deemed necessary to fully utilize ESG resources within HUD's required timeframe and if the community need warrants such.</p> <p>KHC will make every attempt to award limited resources as prudently as possible and will award those agencies with the greatest capacity to effectively administer the funds. The amount of funds awarded will depend on how well a particular application scores. Those applications receiving higher scores will receive awards. Applications with low scores are less likely to receive funding. KHC intends to fund projects based on project viability, applicant capacity, performance, community collaboration, and program design. It is our goal to achieve as much geographic distribution as possible, while ensuring that the strongest applications receive funding based on their total scores.</p>

	<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	<p>The distribution of funds is intended to allow partners to most effectively make progress towards the CoC’s goal of homelessness being rare, brief, and non-recurring in the Balance of State. 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:</p> <ul style="list-style-type: none"> <li>• Reduction in the average and median length of time persons remain homeless;</li> <li>• Reduction in the percent of persons who return to homelessness;</li> <li>• Reduction in the number of persons who are homeless;</li> <li>• Number of persons who become homeless for the first time;</li> <li>• Successful placement from Street Outreach; and</li> <li>• Successful placement in or retention of Permanent Housing</li> </ul> <p>KHC will also focus on outcomes established in Opening Doors: The Federal Strategic Plan to End Homelessness, which calls for coordinated efforts to end homelessness for veterans, youth, families, and chronically homeless in addition to persons experiencing homelessness overall.</p> <p>Through implementation of the CoC’s Coordinated Entry System, partners will focus on moving people as quickly as possible from the streets and emergency shelters into permanent housing and making sure limited permanent housing resources are used for those persons with the highest level of need. Data from this process will inform where the CoC has gaps in needed services (e.g. areas that need more RRH or less RRH and more PSH) so that programs can reallocate resources or make other program adjustments to improve outcomes for persons in need.</p>
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>	<p>Possible activities eligible for funding include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• Rehabilitation for homeowner, home buyer or rental properties</li> <li>• Acquisition, including down payment and closing cost assistance</li> <li>• New construction or preservation of rental or home buyer properties</li> <li>• Tenant-based rental assistance</li> <li>• Demolition in conjunction with rehabilitation or new construction</li> <li>• Reconstruction housing</li> <li>• Adaptive reuse</li> <li>• Homeless assistance (restricted to housing development activities for transitional or permanent housing, and tenant-based rental assistance)</li> </ul> <p>KHC may undertake additional activities permitted by federal regulation. Assistance may be provided for rental housing or to promote homeownership. Any activity that qualifies under the HOME Final Rule, Sections 24 CFR 92.205-209, may be financed by the state HOME Program, provided it is consistent with the Consolidated Plan and this Action Plan. KHC may hold a portion of its HOME allocation as a contingency for disasters and other emergencies as declared by the governor. These funds may be used for TBRA for displaced households.</p>
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<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, tenant-based rental assistance and rental activities. Announcements of funding availability will be announced via KHC's eGram web service.</p> <p>Applications may be evaluated on factors such as: performance measures; project need/demand; financial design and feasibility; project design; capacity of the development team; 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 in order 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.</p> <p><i>Plan for determining compliance with the 95 percent median purchase price 92.254(a)(2)(iii):</i></p> <p>The Final Rule published on July 24, 2013, established new homeownership value limits for the HOME program. These new limits apply to homeownership housing when HOME funds are committed on or after August 23, 2013, 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 newly constructed housing, KHC may further restrict the purchase price/after-rehabilitation value limits to \$150,000 for projects within KHC's jurisdiction.</p> <p>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/rehabilitation price, regardless of source of financing. KHC will use the Homeownership Value limits released by HUD annually at:</p> <p>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>

<b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b>	N/A
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<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>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.</p> <p>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 fiscal year 2017 funds will be distributed approximately as follows (as of the date of publication for comment, HUD had not announced funding):</p> <ul style="list-style-type: none"> <li>• Homeowner activities, including new construction, rehabilitation, acquisition/rehabilitation/rehab - \$3,000,000. This includes CHDO set-aside funds.</li> <li>• Tenant-Based Rental Assistance - \$1,500,000</li> <li>• Rental Production/Rehab - \$8,000,000. This includes carryover funds directed to specific projects.</li> </ul> <p>KHC will utilize program income, reprogrammed administrative funds and carryover funds from prior years, recaptured funds and matching funds provided by KHC (if any) as necessary to meet the objectives of the state. Additionally, if necessary, KHC reserves the right to adjust funding levels between these activities as determined by KHC. KHC may allocate funding on a contingency basis for disasters and emergencies as declared by the governor. It is anticipated that these funds would be used to provide short term rental assistance to displaced families.</p> <p>CHDO operating funds, administrative funds and disaster contingencies are not included in the above allocations toward eligible activities.</p>
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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 FFY2017, KHC will allow eligible applicants to request up to \$500,000 of HOME funds for multifamily activities unless the project was preapproved for additional funding, \$600,000 for CHDO set-aside activities, or \$500,000 non-CHDO single-family activities. KHC will allow eligible applicants to request a maximum of \$600,000 of HOME funds during an application round. 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.

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 Community Housing Development Organizations (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 semi-annual 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 subsidy cap of \$40,000 per unit for homeownership activities and a maximum subsidy cap of \$40,000 per unit for 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 Homeownership Application Guidelines and Scoring Criteria.

	<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 fewer applicants for funding, but by increasing the allocation amounts, applicants with greater capacity will be awarded funds. This will also allow KHC to meet newly imposed expenditure deadlines imposed with the new HOME regulations in effect after August 23, 2013.</p> <p>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 Tenant-Based Rental Assistance; Short-Term Rent, Mortgage, and/or Utilities; Supportive Services; Resource Identification; Housing Information Services; Permanent Housing Placement; and Administrative Fees.</p> <p>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>HOPWA applications are received through a competitive process using KHC’s online application software. Applicants are scored on criteria such as: performance measures, previous compliance and/or program issues, reporting, project need, geographic coverage, and agency experience. Applications are open every three years with an annual renewal allocation of funding based on the same performance measures as in the original application as well as expenditure rates, compliance issues and capacity.</p> <p>KHC will make every effort to work with applicants and offer technical assistance when completing an application.</p> <p>It is crucial to evaluate each agency based on various criteria in order to be certain that the funds are being administered according to the guidelines. All criteria listed are scored by a team and awards are based on highest ranked scores.</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>KHC will continue to provide funding for the five Care Coordinator regions within the balance of state.</p> <p>These regions are:</p> <ul style="list-style-type: none"> <li>• Barren River Region</li> <li>• Cumberland Valley Region</li> <li>• Lexington Region</li> <li>• Northern Kentucky Region</li> <li>• Purchase Region</li> </ul> <p>Currently, project sponsors have been administering federal funds, including HOPWA, for several years and have the knowledge and qualifications needed to encourage successful client outcomes.</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, in general, most agencies 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.</p> <p>KHC will utilize carryover funds from prior years and/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.</p> <p>Because the housing portions of STRMU and TBRA are where most of the funds are utilized, the housing results will be most important.</p>
5	<p><b>State Program Name:</b></p>	<p>National Housing Trust Fund</p>
	<p><b>Funding Sources:</b></p>	<p>Housing Trust Fund</p>

<p><b>Describe the state program addressed by the Method of Distribution.</b></p>	<p>The National Housing Trust Fund (HTF) program will be used to finance the construction or rehabilitation of affordable rental housing whose units receive rental subsidy.</p> <p>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.</p> <p>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 state HTF Program, provided it is consistent with the Consolidated Plan, this Action Plan, and any NOFA or QAP issued to award HTF funds, as they may be amended from time to time.</p> <p>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 and capacity, compliance monitoring history, financial management, and 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.</p> <p>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.</p> <p>Application submissions will be in response to the 2018 Low Income Housing Tax Credit (LIHTC) 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 housing credits allocated, successful applicants may be funded from other available sources for multifamily housing, including HOME and state Affordable Housing Trust Fund.</p> <p>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 credit.</p>
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**Describe all of the criteria that will be used to select applications and the relative importance of these criteria.**

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 2018 LIHTC Funding Round will be considered for funding.

Respondents must meet the requirements of the 2017-2018 Qualified Allocation Plan (QAP) and 2017 Multifamily Guidelines located at: [www.kyhousing.org/Development/Multifamily/Pages/Applications-Guidelines-Scoring.aspx#collapseScoring](http://www.kyhousing.org/Development/Multifamily/Pages/Applications-Guidelines-Scoring.aspx#collapseScoring).

Projects utilizing tax-exempt bond financing must engage an attorney or attorneys who: have acted as bond counsel or counsel for the bond trustee, bond purchaser, or the borrower in connection with at least one KHC multifamily bond issue within the previous five years; or can demonstrate a comprehensive understanding of KHC's general bond policies and procedures. Also, funds will only be available to projects that have not yet received or applied for an allocation of Tax-Exempt Bonds.

Projects must be completed and placed in service no later than 36 months after the date of the closing of all KHC funds.

Respondents proposing projects in Jefferson or Fayette counties (regardless of whether the respondents are seeking gap subsidy from Louisville Metro or LFUCG) must share their project concept with Louisville Metro and/or LFUCG, and must secure a letter of interest from Louisville Metro or LFUCG. The letter of interest should express the municipality's support of a NOFA response but need not express any firm commitment of funds.

All projects must clearly address one or more impediments to fair housing. Respondents must identify fair housing impediments in KHC's Analysis of Impediments to Fair Housing (AI). If the project is located in a HOME participating jurisdiction, the project must also address one or more impediments in the local jurisdiction's AI.

Project Characteristics - 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 for at least 75 percent of units across the collective project.

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 93 percent occupancy. Capture rates and absorption rates are required to recognize other funded projects in its market study review. In the event 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 particular region will be able to absorb each project, noting the impact that capture rates and market

<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>Pursuant to HUD Notice 15-003, Interim Policy On Maximum Per-Unit Subsidy Limits for the HOME Program, KHC has elected to utilize the per-unit limits provided by the Louisville HUD Field Office on March 1, 2016 (included in the HTF Allocation Plan attached to this Action Plan) that establishes the following per unit maximum:</p> <ul style="list-style-type: none"> <li>0 Bedroom - \$140,107</li> <li>1 Bedroom - \$160,615</li> <li>2 Bedroom - \$195,304</li> <li>3 Bedroom – 252,662</li> <li>4+ Bedroom – 277,344</li> </ul> <p>There is no maximum award amount associated with this program.</p> <p>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.</p> <p>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, by the end of May 2018.</p> <p>KHC’s NHTF program includes a requirement that assisted units also include rental subsidy. The exception may be if funds remain unallocated after the issuance of a NOFA for NHTF funds. A second funding round to allocate remaining funds may not include this provision.</p> <p>KHC’s program includes a 30-year recorded land use restrictive covenant for all projects receiving NHTF Funding.</p> <p>While KHC’s priority housing needs include affordable rental and homeowner housing, and tenant-based rental assistance as equal priorities, KHC has focused on rental projects that serve special needs and the elderly as well as those that preserve existing housing stock. NHTF funds will be allocated in conjunction with LIHTCs and Tax Exempt Bonds.</p> <p>Projects funded under the NHTF 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 the majority of funds in the total financing of these projects.</p>
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<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 Web sites.



## **AP-35 Projects – (Optional)**

### **Introduction**

State participating jurisdictions do not identify specific projects that will be funded. Funded projects for HOPWA will be added after funding decisions are made. If HUD determines that additional programs meet this requirement, minor amendments to the Action Plan will be made to include other projects funded during the program year from the funds covered by this plan.

#	Project Name

**Table 10 – Project Information**

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

**AP-38 Project Summary**  
**Project Summary Information**

**Table 11 – Project Summary**

## **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

### **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. In light of 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**

Eligible applicants must submit a letter to DLG's director of the Office of Federal Grants from the chief executive official requesting an invitation to submit an application. The letter must include a description of the proposed project activities to be undertaken, the National Objective to be met, activities to be financed with specific eligibility citation provided, the public benefit to be derived for the proposed activities, projected time table, total project cost, sources of all funds, and any other pertinent information or documentation to support the request. Applicants are encouraged to meet with DLG staff to discuss potential projects prior to submittal.

DLG will review each letter of request for compliance with federal requirements and state priorities. The request will be reviewed based on criteria set forth in the Program Guidelines. DLG will advise applicants in writing of acceptance for an application to HUD. While there are no standard application forms, elements and items of documentation are required as set forth in the Guidelines. Applications will be submitted at any time during the program year.

## **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 allows communities, within the regular guidelines to carry out various kinds of eligible revitalization activities particularly through the Community Projects program area. Projects such as senior centers, health and wellness centers, slum and blight removal and other community revitalization activities are often done. Many projects include partnerships with funds from other sources and participation of non-project agencies.

## **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: All cities and counties in Kentucky are eligible for participation in the CDBG Program with the exception of the cities of Ashland, Bowling Green, Covington, Elizabethtown, Henderson, Hopkinsville, Owensboro, the City of Lexington/Fayette County and City of Louisville/Jefferson County Metro Government which receive a direct allocation of CDBG funds from the federal government.

HOME: Based upon demand for available funds, KHC will make every effort 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. In the FFY2016 program year, KHC may allocate up to \$2 million in HOME funds in entitlement jurisdictions to support tax-exempt bond transactions for multifamily housing.

ESG: Kentucky's ESG funds will be made available to Balance of State Continuum of Care cities and counties or private nonprofit organizations on a competitive basis. Because funds requested are always more than what is available, KHC will continue the practice of only funding ESG applicants serving clients in non-entitlement ESG areas. It is KHC's intention to fund eligible applicants representing a broad geographic area in the state.

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 balance of state to be covered by HOPWA funding. Eligible applicants for HOPWA funding will submit plans for the use of HOPWA funding to KHC. The plans outline the activities to be undertaken and the process for the use of funding.

HTF: Eligible applicants are affordable multifamily housing entities applying for 4% LIHTCs in combination with HTF funding and tax-exempt bonds. 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. While other block grant programs may be limited to non-entitlement areas of the state, HTF funds will not be subject to this restriction.

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

### **Geographic Distribution**

<b>Target Area</b>	<b>Percentage of Funds</b>
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Target Area	Percentage of Funds
Non-Entitlement Geographic Area	95

**Table 12 - Geographic Distribution**

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

In general, investments are not allocated geographically. However, KHC will make every effort to distribute HTF funds geographically (by congressional district) dependent upon market need and eligible projects. Tax Exempt Bond 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, considering geographical need, size and cost per unit, and 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 the all proposed projects are reviewed to determine if allocations are being distributed across the state.

### **Discussion**

Funds under HOME, ESG, HOPWA, and HOME 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 95% of funds will be allocated in the target area. Additional information on HTF funds is included in the HTF Allocation Plan attached to this Action Plan.

## Affordable Housing

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

#### Introduction

ESG shelter activities are included in the rental assistance goal.

One Year Goals for the Number of Households to be Supported	
Homeless	3,400
Non-Homeless	400
Special-Needs	189
Total	4,539

**Table 13 - One Year Goals for Affordable Housing by Support Requirement**

One Year Goals for the Number of Households Supported Through	
Rental Assistance	3,400
The Production of New Units	70
Rehab of Existing Units	64
Acquisition of Existing Units	0
Total	2,606

**Table 14 - One Year Goals for Affordable Housing by Support Type**

#### Discussion

Homeless one-year goal includes persons in emergency shelters and those who received rapid-rehousing assistance. Non-homeless are those assisted with homeless prevention funds. Special needs goals include those receiving HOPWA rental and/or short-term rental/mortgage/utility assistance.

One year goals also include:

- Rental assistance - HOME TBRA, HOPWA Rental Assistance, and ESG Rapid-Rehousing Assistance
- New Units - Homeownership and rental new construction units under HOME and HTF
- Rehab Units - HOME and CDBG homeowner rehab units and HOME and HTF 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. Because HTF is a new program, it is possible that the actual units reported at the end of this program year may not include HTF units, as those projects will most likely not close out in the same program year that funds are awarded.





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

### **Introduction**

Although public housing is primarily administered at the local and not the state level, there have been many efforts undertaken to encourage and assist the population served through public housing to obtain economic self-sufficiency.

The KHC Rental Assistance Department administers the Housing Choice Voucher Program in areas of the state that are not served by a local public housing authority (PHA). For many years, KHC has been at maximum capacity under its voucher program the waiting list remains closed for the most part. KHC does periodically open its waiting list for short periods of time. KHC aggressively pursues any new voucher funding opportunities.

There are approximately 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 23,000 families statewide.

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

The Family Self-Sufficiency (FSS) Program, administered by KHC, provides supportive services to participants who possess a housing choice voucher when they sign a five-year contract of participation. The ultimate 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. Currently, 123 families are participating in FSS and 72 of these participants have funds in escrow.

Replacing the *Yes You Can...Own A Home* Program, the new *Realizing the American Dream Program* is sponsored by KHC and local lenders, also targets people currently living in rental or public housing who would like to own their own home. Classes are offered to participants to teach the basics of becoming a homeowner. Classes discuss the mortgage loan process, finding the right house, budget and credit, loan closing, foreclosure prevention, basic home maintenance and more. This program will continue into the next fiscal year and will attempt to further reduce the number of Kentuckians dependent upon public housing assistance to survive. The class is available in multiple languages.

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

Homeownership education programs allow families housed by local housing authorities the knowledge

and qualifications to access KHC's single-family loan programs. In addition, KHC has established a homeownership voucher program that allows qualifying families to use their Housing Choice Voucher for homeownership.

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

In the event KHC and DLG are notified by HUD that a public housing agency in Kentucky is designated by HUD as "troubled," KHC and DLG will determine if KHC and DLG can provide financial and/or technical assistance to the public housing agency.

**Discussion**

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

### Introduction

The state uses a multi-pronged approach ensure that homelessness is rare, brief, and non-recurring. Central is the creation of the Kentucky Interagency Council on Homelessness (KICH) - the state policy advisory entity on homelessness. KICH is composed of representation from state government, nonprofit, and advocacy agencies for the purpose of fostering cross-sector collaboration and to perform several functions:

- Serve as the single statewide homelessness planning and policy development resource for the Commonwealth of Kentucky.
- Review, recommend changes and update Kentucky's *Ten-Year Plan to End Homelessness*.
- Monitor and oversee implementation of Kentucky's *Ten-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.

Kentucky has three Continuum of Care geographic areas—Lexington, Louisville and the KY Balance of State (BoS) (remaining 118 counties). KHC, as the Collaborative Applicant for the CoC Program for Kentucky's BoS CoC, awards sub-grants to homeless service providers throughout the BoS. Through the CoC program, the ESG program, and other related programs such as the VA's SSVF program, persons experiencing homelessness or at-risk of homelessness can be served with supportive services, transitional housing, permanent supportive housing, rapid re-housing programs, and prevention, as appropriate. The KY BoS CoC is governed by an advisory board made up of representatives from each of the six regions within the KY BoS CoC and works to improve collaboration, coordination, and system-wide performance in preventing and ending homelessness.

KHC's CoC programs are for families and individuals who, in addition to safe, decent and affordable housing, need access to supportive services in order to stay housed permanently. Supportive housing combines permanent, affordable housing with flexible support services to help the tenants stay housed and build the skills to live as independently as possible. The ESG program is used, in part, to provide emergency services when people experience crisis situations. Through the KY BoS CoC system, emergency shelters work with permanent housing providers to quickly move people out of shelters and into permanent housing destinations. By using a common assessment tool, the CoC is able to determine which clients have the highest level of need so that the most intensive resource, PSH, can be reserved for those cases. Rapid rehousing is an effective intervention for people needing less supportive services.

The KY BoS CoC, in partnership with Kentucky's other CoCs (Lexington and Louisville), are actively working towards meeting the goals set forth in *Opening Doors: The Federal Strategic Plan to End Homelessness*. In order to meet these goals, the KY BoS CoC has established the following objectives:

- Increase access to safe and affordable housing units for homeless families, individuals and youth.
- Increase funding for and access to comprehensive supportive services that help assure housing stability and encourage self-sufficiency.
- Increase funding for prevention services to reduce the numbers of persons falling into homelessness.
- Increase scope and quality of data collection through the statewide Homeless Management Information System to document both project and system performance and continuing need.
- Implement a client-centered Coordinated Entry System to move people with the highest needs into permanent housing as quickly as possible.

**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**

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 been able to identify local people in each county most likely to know of rural homeless locations (i.e., police officers, mail carriers, school bus drivers, etc.). Additionally, working with the ESG recipients, KHC encourages inclusion of street outreach as an eligible use for the state ESG allocation. Training on the eligible uses of ESG street outreach funding was made available across the state. Furthermore, the KY BoS CoC is implementing a statewide Coordinated Entry System. Since the geographic area is so large, the CoC is implementing coordinated entry by using smaller regions, which mirror existing area development districts (ADDs). All areas are utilizing a common assessment tool and are following policies and procedures adopted by the CoC Advisory Board. The KY BoS CoC received a CoC grant for coordinated entry and it is in the process of developing a plan to subgrant the funds to agencies across the BoS to support coordinated entry implementation.

KHC will continue to work closely with KICH, CoC and ESG agencies, other state agencies, and other service providers to increase coordination of efforts to maximize limited resources focused on homeless and special needs populations in the following areas:

- Supportive services including medical and mental health services
- Adequate discharge planning
- Homeless prevention funding
- Utilities assistance funding
- Connecting those in need of services to those who offer services.

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

While the ESG funding application places a priority on Rapid Rehousing (RRH), programs serving both individuals and families with children, KHC is still allowing a large portion of the allocation to be requested and used in the Emergency Shelter Component. Since the BoS CoC is largely rural, there are very little, if any, resources available within communities to address the needs of people when they experience a crisis situation necessitating a temporary housing solution, which is why the ESG program is so critical to Kentucky's homeless response system. Through coordinated entry, emergency shelters are working closely with permanent housing providers to move people as quickly as possible out of the crisis response system and into permanent housing. The KY BoS has been aligning its funding priorities with those expressed by HUD in recent years. One area that HUD has emphasized is reallocating funding from transitional housing programs to permanent housing. After this most recent CoC competitive funding round, the KY BoS CoC has reduced its number of CoC transitional housing programs to just two out of more than 50 projects. The other transitional housing programs reallocated their resources to either permanent supportive housing or rapid rehousing. The KY BoS CoC still values transitional housing as an option for clients, especially programs for youth, persons in recovery, or victims of domestic. There are other transitional housing options funded with resources besides CoC or ESG within the state that may be more appropriate for some people experiencing homelessness, such as substance use recovery programs or transitional housing programs for veterans.

Both emergency shelter and transitional housing programs include some or all of the activities below::

- Provision of essential services to homeless individuals and families. This includes services concerned with employment, health, drug abuse, education, transportation and staff salaries necessary to provide these services.
- Provision of rental assistance for homeless individuals and families.
- Working closely with the Cabinet for Health and Family Services to ensure persons in need of services have access to them.

**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, working with the CoC to identify agencies to apply for CoC RRH and PHS projects, and finding other innovative ways to create supportive housing opportunities, resources are becoming better aligned with the need to reduce the time individuals and families remain homeless as well as giving them access to sustainable, permanent housing options. Kentucky has a variety of services and housing that assist homeless veterans. Through the Kentucky

Interagency Council on Homelessness, it has been successful in identifying resources and gaps in veterans' assistance. In addition, service providers are being linked with organizations serving veterans, both private (local SSVF programs) and public (VA Service Centers). With several VASH programs and SSVF programs operating in Kentucky, the services to veterans have never been more accessible as they are now. Additionally, both the Balance of State CoC and the ESG applications provide scoring incentives for agencies targeting veterans as well as chronically homeless individuals or homeless families with children.

Activities planned for the coming year to address housing needs of homeless individuals and families and to prevent low-income individuals and families from becoming homeless include the activities listed below.

- Acquisition, construction, renovation, major rehabilitation or conversion of structures for use as transitional and permanent supportive housing for homeless persons.
- Payment of maintenance, operation, rent, repair, security, equipment, insurance, utilities and furnishings of transitional and permanent housing.

KHC has partnered with HUD to end veteran homelessness in Kentucky. KHC has dedicated housing assistance for 100 homeless Kentucky veterans to be available through the Veterans Emerging Towards Transition (VETT) Program, which was created in 2015. Through the VETT program, KHC will designate a preference for up to 100 Housing Choice Vouchers (HCV) for qualified homeless veterans in the 87 counties KHC serves under the HCV program. This special assistance will help qualified veterans pay for housing and ultimately reduce the number of homeless veterans in Kentucky. Unlike other VA-related programs, the VETT program can be accessed by veterans regardless of the length of service or the type of discharge status, which allows the state to reach a broader population of homeless veterans.

KHC, as the PHA for 87 Kentucky counties, has partnered with the KY BoS CoC to create the Kentucky Moving On program, an initiative designed to transition people who no longer need intensive services offered through a permanent supportive housing program (PSH) into a HCV within the community. CoC-funded PSH providers assess the housing readiness of existing PSH clients to identify those who have already achieved housing stability. The agencies then refer the clients to the Moving On program. In addition to helping people transition into independent, stable housing, the program allows PSH programs to use the resources that have been freed up to serve people with higher needs, especially people experiencing chronic homelessness. The KY BoS CoC was recently selected by HUD as one of 10 communities nationwide to participate in the Youth Homelessness Demonstration Program (YHDP). The KY BoS CoC selected the eight-county Southeastern Kentucky Promise Zone as the demonstration community. As part of the YHDP, the Promise Zone, in partnership with the CoC, must develop a coordinated community plan to prevent and end youth homelessness. In addition, the area will receive up to \$1.9 million to create projects allowed through the CoC program and innovative projects to serve homeless youth. The demonstration will provide important information about how to address the unique challenges of homeless youth through the state and nationally.

**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 Emergency Solutions Grant program, the state continues to allow funds to be allocated to Homelessness Prevention. These funds are usually in high demand from agencies.

The CoC collaborates with the Cabinet for Health and Family Services (CHFS), which implements discharge planning for youth who age out of foster care. Independent living coordinators and Cabinet social workers develop a transition plan help to identify appropriate, sustainable housing options prior to discharge from foster care, giving them access to stable housing through age 21. The program provides up to six months of initial rental assistance plus an additional six months if needed, through the Chafee Room & Board program. This program is expected to assist approximately 175 persons this year.

Discharge planning efforts from health-care facilities in Kentucky takes place according to the health-care venue and/or program. Kentucky participates in Medicaid and Medicare programs and is required to adhere to all applicable standards of care, including discharge. The Center for Medicaid and Medicare Services (CMS) Condition of Participation requires that hospitals must have in effect a discharge planning process that applies to all patients. The evaluation process includes determining an appropriate discharge site. A very small percentage of persons exiting health-care facilities are discharged to homeless programs. The State has established a policy to prevent individuals with serious mental illness from being discharged into homelessness. Instead, the policy requires discharge from inpatient psychiatric hospital settings and other facilities to permanent community-based housing. Facility staff collaborate with family members, guardians, service providers and others to ensure that discharge planning begins upon admission, that the individual's preferences are honored through person-centered planning and that every effort be made for community integration in housing and services. The vast majority of persons discharged from state psychiatric hospitals return to their own home. KHC partners with the state on two programs specifically targeting this population. KHC's Olmstead housing initiative is expected to assist nearly 100 persons this year through a combination of rental assistance vouchers, permanent supportive housing rental units, and the HUD Section 811 Program.

The Department of Corrections' discharge policy and procedures ensure every effort to secure safe housing for offenders prior to release. The first option is to determine if the individual can return to his/her home then to consider housing options with family or friends. Many offenders recognize that returning home may not allow them to be successful, and they choose to secure a home placement in a transitional living program. The transitional housing has specific requirements and seeks to assist the offender in his/her reentry process. Offenders typically return to home placements with family or

friends. The Department of Corrections works directly with contracted halfway houses and transitional housing placements when a family member or friend is not available to support the offenders' transition into the community. The Recovery Kentucky program assists persons with addictions. The centers are funded by DLG, KHC, the Department of Corrections, and other funds, and are expected to assist more than 1,000 persons this year. CDBG services funding and KHC rental assistance funding support more than 10 centers across the state.

### **Discussion**

KHC will continue to provide technical assistance and training to HIV/AIDS housing and service providers to increase capacity. Also, HOPWA grantees are encouraged to participate in the COC system where they may be more successful in partnering services and housing with other providers who may serve the same or similar populations.

HTF funds may be awarded to projects serving special needs and/or homeless populations. Additional information about HTF is available in the allocation plan attached to this Action Plan.



**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	189
Tenant-based rental assistance	31
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	220

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

### **Introduction**

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**

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

- The Kentucky Infrastructure Authority has enacted a Water and Waste-Water Plan.
- The Recovery Kentucky program is an example of state agencies working together to remove barriers that unintentionally arise because of compartmentalization.
- The Governor’s Re-Entry Task Force has identified criminal backgrounds, especially sex offenses, as significant barriers to affordable housing and has solicited input from the Kentucky Interagency Council on Homelessness (KICH) and other stakeholders to develop a legislative agenda to address these barriers. Just recently the state legislature passed, and Governor Matt Bevin signed, legislation to assist those convicted of low-level felonies.
- The Kentucky Interagency Council on Homelessness (KICH) maintains four subcommittees that are also exploring regulatory barriers specifically affecting the homeless population. KICH identified lack of fair housing policies and limited or lack of affordable housing policies at the local government level as barriers. The need for additional access to permanent housing options is a pressing need.
- The Notice of Funding Availability for Gap Financing and Tax-Exempt Bonds, includes funding under multiple pools of monies including HOME, tax credits, bonds, and Housing Trust Fund monies. Applications are ranked based on several factors including new construction multifamily projects that apply through the Community Impact and Historic Adaptive Reuse Pool. Projects that are part of an overarching local Community Revitalization Plan where the community has dedicated funding to support the plan and whose financial structure features waived local fees are included in the ranking factors.

### **Discussion**

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

### **Introduction**

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

KHC plans to address the following obstacles to meeting the housing needs of underserved populations:

There is only one affordable rental housing unit available for every three low-income households in need. Existing rental housing is being lost due to expiring contracts and affordability periods. KHC is undertaking a plan to preserve existing housing including offering financing programs to update and preserve properties and extend affordability periods, ensuring the housing remains available to low-income households. Part of KHC's 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 National Housing Trust Fund must be deed-restricted so as to remain affordable for 30 years – a time period much longer than other sources of funding.

Youth aging out of foster care have a high risk of becoming homeless and need assistance transitioning from foster care to independent living. Obstacles facing this population include the lack of income to pay the costs associated with establishing an independent household, and short-term case management. Chafee Room and Board is administered by the state Cabinet for Health and Family Services and KHC. The program provides household setup funds and short term rental assistance to assist this population in transitioning from foster care to independence. This program continues to assist this population. Homeless youth will also be assisted under a new CoC demonstration project funded recently.

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

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 for the purposes of preserving existing affordable housing as well as fostering new affordable housing opportunities. Units of local government, nonprofit and for-profit entities will be able to 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.

The 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 particular 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 need 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.

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

Both KHC and DLG have a commitment to ensure that recipients of HOME, CDBG, ESG, HTF and HOPWA funds administer programs that adequately limit the risks associated with lead-based paint. Program administrators assist in statewide and local efforts to detect and abate lead-based paint as appropriate. Recipients of funding through these block grant programs are required to comply with all federal, state and local lead-based paint regulations. KHC and DLG staff members take several steps to fulfill their responsibility regarding lead-based paint hazards. Applicants for HOME, ESG, HTF and HOPWA funds are made aware of the requirements of the lead-based paint regulations as they apply for funds. If funded, applicants receive additional formal training and individual technical assistance provided by staff. This technical assistance is available through the life of the project. Inquiries regarding lead-based paint hazards, evaluation and screening are often referred to the Environmental Lead Program administrator at the Kentucky Department of Public Health. To assist with the cost of lead-based paint removal activities, KHC allows HOME funds to be used in the form of a grant for homeowners receiving assistance for homeowner rehabilitation activities. KHC adopted an environmental assessment policy several years ago. During the next fiscal year, KHC anticipates a review of the current policy to determine whether it requires revision. The current policy requires a Phase I environmental assessment for many projects. Dependent upon the findings of a Phase I review, a Phase II review may be required. KHC staff members perform visual inspections to identify possible lead-based paint hazards for projects wishing to use block grant funds. Several inspections of projects involving rehabilitation are performed during the construction process. In addition, Housing Quality Standards (HQS) inspections are performed at rental properties throughout the state.

DLG has adopted a policy on lead hazard reduction in keeping with federal regulations. For projects involving a home constructed prior to 1978, grantees are notified of the hazards of lead-based paint. In addition, if housing built prior to 1978 is being rehabilitated, the housing must be inspected for defective paint. If surfaces are found to be defective, they must be treated in the course of

rehabilitation.

Full abatement of lead-burdened housing is a worthwhile goal. However, it is costly and caution must be taken to ensure that the work is performed in a safe manner by certified workers. Additional information about lead-based paint abatement is available through the Department of Public Health, the federal Environmental Protection Agency, KHC and DLG.

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

KHC and DLG have been providing affordable housing and economic development opportunities in an effort to decrease the number of poverty-level families living in unsafe and unaffordable housing. KHC's programs range from homeless assistance and Section 8 rental assistance to homeownership and housing financing programs. DLG housing programs are typically, but not limited to, single-family housing rehabilitation. DLG offers many non-housing programs that focus on community and economic development to combat poverty.

Long-term anti-poverty CDBG objectives include:

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

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 child care 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 child care 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 across the state, 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. Nontraditional economic development projects are those which provide funding of activities including, but not limited to, job training and placement of other support services including peer support counseling, child care and transportation. Microenterprise development is designated to provide funds to local communities and community-based organizations for the purpose of providing assistance and technical services to low- to moderate-income persons who either currently own a small business or are interested in starting one.

KHC will continue to participate in the newly-formed SOAR initiative, focused on assisting the Appalachian area of the state, where the highest levels of poverty have remained for decades.

(continued in discussion section below)

### **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 directly 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, Community Housing Development Organizations (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 is 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 Housing Choice Voucher Program funds in counties where there is no local housing authority.
- KHC works directly with HUD in the administration of the Risk-Sharing Program in order to increase the number of safe, decent and affordable rental units throughout the state. When funding is available, KHC processes and underwrites the loan applications and, in the event of default, the mortgage insurance risk is shared between KHC and HUD.
- The Governor's Local Issues Conference is held annually and is attended by local officials from cities and counties throughout the Commonwealth.
- The annual Kentucky Affordable Housing Conference will be attended by representatives of various housing and related service organizations.

- KHC and DLG work with the Recovery Kentucky Task Force 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 and HTF program as well as other federal and state housing programs for the development of affordable rental housing across the state. Likewise, KHC continues to maintain relationships with several private developers who utilize HOME funds to provide homeownership opportunities for low-income Kentuckians.
- KHC works with over 250 private lending institutions in the origination and processing of KHC mortgages. The statewide lender network enables lower income families the opportunities to access KHC’s loan products.

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

The Kentucky Interagency Council on Homelessness (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 Ten-Year Plan to End Homelessness. The policy subcommittees are: supportive housing, services/prevention, public will, and data.

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

KHC and the state's Department of Mental Health/Mental Retardation coordinates funding focused on the needs of that portion of the Olmstead population with severe and persistent mental illness. These funds are used to move individuals from psychiatric hospitals and nursing facilities to apartments in the communities of their choice and also for the construction of permanent supportive housing as funds become available.

The Recovery Kentucky Task Force provides oversight and direction for a network of 100-bed Recovery Kentucky Centers - 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/addict regain a life of sobriety and to begin a journey toward permanent housing and self-sufficiency.

The FSS Provider Coordinating Committee (PCC) 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 housing choice voucher program is adapting 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

#### 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.	88.00%

#### 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:

KHC will invest HOME funds as interest-bearing loans or advances, non-interest bearing loans or advances, interest subsidies, deferred payment loans, forgivable loans, and grants. Assistance may

be provided to private developers, nonprofit organizations, CHDOs, and governmental agencies.

An applicant that proposes to use any other form of investment not described in 25 CFR 92.205 must provide the following when submitting an application:

- 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.

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:

See the HOME Recapture Provisions attached to this Action 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 Homeownership Application Guidelines and Scoring Criteria. Additional information is included in the HOME Recapture Provisions attached to this Action Plan.

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.

**Emergency Solutions Grant (ESG)**  
**Reference 24 CFR 91.320(k)(3)**

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

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 is in the process of fully implementing its coordinated entry system (CES) that is in accordance with the minimum requirements. The 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 is being implemented across the entire geographic area. The BoS CoC has adopted a set of policies and procedures that will guide implementation to ensure consistency. The 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. The KY BoS CoC was awarded a CoC Supportive Services Only (SSO) grant to support coordinated entry. KHC will subgrant these funds to partners across the state to support local implementation efforts. The KY BoS CoC Advisory Board has established a coordinated entry committee, which is charged with overseeing the implementation of coordinated entry. 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.

Applications will be ranked based on score and allocations will be made based on applicant ranking and overall request. Because funding priorities have been established for rapid re-housing, KHC reserves the right to fund portions of an applicant's request.

Funds will be awarded using a competitive application process where applicants will be evaluated on such areas as: local needs, applicant experience/capacity/performance, project design, community

coordination, and other factors. Applicants will also address Impediments to Fair Housing and how they will address and help eliminate fair housing impediments. KHC intends to most heavily consider an applicant's capacity, project design, and community collaboration efforts.

Applications will be ranked based on score and allocations will be made based on applicant ranking and overall request. KHC reserves the right to fund portions of an applicant's request based on factors such as priority needs in the applicant's service area. In addition, KHC reserves the right to consider additional factors such as geographic distribution of funds and may elect to make allocation adjustments accordingly.

Funds from ESG Supplemental funding may be added to the competitive allocation process. KHC reserves the right to use Supplemental funding for special initiatives to meet CoC established goals and objectives.

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 is able to 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.

5. Describe performance standards for evaluating ESG.

KHC has implemented ESG Performance Standards for all subrecipient agencies.

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 Opening Doors: The Federal Strategic Plan to End Homelessness, which calls for coordinated efforts to end homelessness for veterans, youth, families, and chronically homeless in addition to persons experiencing homelessness overall.

## Discussion