

CONSOLIDATED PLAN

2016

ONE-YEAR ACTION PLAN

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT



MAY 15, 2016

FOR FURTHER INFORMATION:

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Executive Summary

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

1. Introduction

The Lexington-Fayette Urban County Government's 2016 Annual Action Plan represents the jurisdiction's goals and objectives for addressing housing and community development needs for the period July 1, 2016 through June 30, 2017. This executive summary provides an overview of the plan including Lexington-Fayette County's proposed strategy for addressing these problems during the coming year. The goals in the Consolidated Plan include the provision of safe and affordable housing for low- and moderate-income persons, homeless persons, and for persons with special needs; public improvements and neighborhood revitalization in low- and moderate-income neighborhoods; renovation of buildings and sites in the community that are used for the provision of social services to low-income persons; and provision of services that will positively impact social and economic conditions for low-income persons. The Lexington-Fayette Urban County Government (LFUCG) uses Community Development Block Grant funds, HOME Investment Partnerships Program funds, and Emergency Solutions Grants Program funds primarily for housing rehabilitation, new housing development, first-time homeownership, public improvements, and public services for at-risk youth, homeless persons, and other persons with special needs.

2. Summarize the objectives and outcomes identified in the Plan

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

The jurisdiction recognizes a need for an expanded supply of affordable housing, specifically affordable housing for extremely low-income renter families. As identified in the Needs Assessment in the Consolidated Plan, approximately 18,000 households are severely cost-burdened, meaning that they pay greater than 50% of their income for housing, and most of these households are at or below 30% of area median income. Over the one year period, the jurisdiction plans to add or rehabilitate 228 units of rental housing through Consolidated Plan resources and other funding sources. Since the housing authority's housing choice voucher waiting list is almost consistently closed, the jurisdiction expects to continue the operation of HOME-assisted Tenant-Based Rental Assistance programs for very low-income households, who are homeless, at-risk of homelessness, or with special needs, specifically severe mental illnesses and HIV/AIDS. Also identified as a need is rehabilitation of existing housing units occupied by low-income owners. In response, the jurisdiction will continue operation of a housing rehabilitation program, an emergency repair program, an energy efficiency program, and an accessibility program for persons who are disabled. Over the one-year period, it is anticipated that 59 households will be assisted. In response to the area's high cost of homeownership, the jurisdiction will continue to support subsidies for first-time homebuyers. Over the one-year period, 11 households will be assisted with homeownership.

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The jurisdiction will allocate funding for operation of programs for the homeless and for at-risk youth. Emergency Solutions Grants funding will be used to offset costs of operating an emergency shelter for single men and an emergency shelter for adults and children who are the victims of domestic violence. Annually, approximately 2,275 persons will have access to emergency shelter and other services to help them move to permanent housing. ESG funds will also be used with Community Development Block Grant funds to provide homeless and at-risk of homeless persons with severe mental illnesses with immediate access to shelter, with a goal of transitioning them to permanent housing. Annually, it is projected that 12 households will be served. With ESG funds, a rapid rehousing/homelessness prevention program will continue to assist 19 households annually.

The jurisdiction will continue its replacement of stormwater facilities, sidewalks, streets, and sanitary sewers in the Meadows-Northland-Arlington area. Over the one-year period, a public investment of \$933,500 million will be made to improve the livability of this neighborhood.

3. Evaluation of past performance

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

The following is a summary of accomplishments in Program Year 2014 (Fiscal Year 2015):

- Using HOME funds with the support of local financial institutions, REACH made it possible for 12 low-income households to become homeowners.
- Lexington Habitat for Humanity constructed 15 houses for homeownership for households whose incomes are at or below 60% of median income. HOME funds were used by Habitat to provide gap financing in the production of these units that received community support with donations of funds, building supplies, and volunteer labor.
- LFUCG's Division of Grants and Special Programs' Single Family Housing Rehabilitation Program financed and managed 26 projects with HOME/CDBG funds, bringing these substandard units up to code, improving energy efficiency and providing accessibility improvements when needed. An additional 17 households were provided with emergency repairs that included HVAC, plumbing, and/or electrical repairs.
- Using CDBG funds, LFUCG's partner agency, Community Action Council, assisted 7 households with energy efficient HVAC replacements in conjunction with a Department of Energy Low-Income Home Energy Assistance Program. A second partner agency, the Realtors Community Housing Foundation, completed 15 housing accessibility modifications, including the construction of ramps and installation of lifts for households with accessibility problems. CDBG funds were combined with privately raised donations and volunteer labor.

The LFUCG provided gap financing with HOME funds for the following rental housing projects:

- Davis Park View – construction of 14 units for LMI households
- Parkside Phase II was awarded HOME gap financing for construction of 36 units, completed in the Fall of 2015.
- Fayette County Local Development Corporation - construction of 3 HOME-assisted units for LMI Households.
- Trent Senior Village was awarded HOME gap financing for reconstruction of 54 units for persons 55 years and older. Anticipated completion date is Fall of 2016.

The LFUCG provided Hope Center with CDBG funding for the rehabilitation of its emergency shelter for homeless men.

Three agencies, (Community Action Council, AIDS Volunteers, and Bluegrass Regional Mental Health-Mental Retardation Board, Inc.) operated HOME-financed Tenant Based Rental Assistance programs for very low-income persons with disabilities who are either homeless or on the brink of homelessness: 16 households were assisted.

The following agencies were provided with CDBG and/or ESG funds to provide supportive services to homeless persons in order to assist them in moving to permanent housing: Hope Center, Hope Center for Women, Chrysalis House, Greenhouse17, Bluegrass Regional Mental Health-Mental Retardation Board, Inc., New Beginnings of the Bluegrass, Bluegrass.org, Volunteers of America, and LFUCG's Division of Adult and Tenant Services.

The following agencies were provided with CDBG funds to operate programs for low-income youth to enable them to mature into successful adults: LFUCG's Police Activities League, Repairers of the Breach, Living Arts & Science Center, Bracktown Baptist, and Arbor Youth Services.

LFUCG's Division of Engineering, using CDBG funds, continued public improvements in the Northland Arlington Meadows neighborhood. Households in a low-moderate income area now have improved storm water drainage facilities, sidewalks, and streets. In addition, locally generated sewer construction funds were used to rebuild sanitary sewer lines in this neighborhood.

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

The Lexington-Fayette Urban County Government (LFUCG) followed an adopted Citizens Participation Plan in its development of the 2016 Annual Action Plan. The LFUCG conducted two public hearings (September 14, 2015, and February 29, 2016) in an attempt to solicit citizen comment on the housing and community development needs of the community. In addition to advertising in the community's daily newspaper, The Lexington Herald-Leader, the government sends out a first-class direct mail to neighborhood associations in low-income neighborhoods, churches in low-income neighborhoods,

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urban county council members and their staff, and to organizations and individuals who have indicated an interest in the housing and community development needs of the low-income, homeless, and special needs populations. The public hearings are also advertised in the Key Newsjournal, a print and online publication targeted to issues in Lexington's African-American community.

The public hearings are advertised on the government's cable channel and on the government's internet webpage, with the public invited to email ideas and suggestions. The government's Office of Public Information also distributes notices of the public hearings through social media

Consultations were conducted with agencies serving low-income and homeless persons (including the local Continuum of Care entity) in an attempt to determine housing and service needs of the homeless and at-risk homeless. Consultations were also conducted with a local community development corporation, neighborhood associations, and other organizations whose missions are to improve housing, services, and economic opportunities for low-income people.

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.

No comments received to date – 3/30/2016.

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

No comments received to date –3/30/16.

7. Summary

Lexington-Fayette Urban County Government solicits applications from organizations requesting funds to carry out Consolidated Plan projects. Because funding is limited, the LFUCG is unable to fulfill all requests. A summary of all applications received is attached in appendices.

PR-05 Lead & Responsible Agencies – 91.200(b)

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

Describe the agency/entity 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	LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT		Division of Grants and Special Programs
HOME Administrator	LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT		Division of Grants and Special Programs
ESG Administrator	LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT		Division of Grants and Special Programs

Table 1 – Responsible Agencies

Narrative (optional)

Lexington-Fayette Urban County Government is a fully merged city-county government with the powers of both a city of the second class and a county created from the merger of the City of Lexington and the County of Fayette in 1974 and operates pursuant to Chapter 67A of the Kentucky Revised Statutes. The Urban County Government operates under a Mayor-Council form of government where executive and administrative functions are vested with the Mayor and legislative authority rests with the Urban County Council. The Mayor is the chief executive officer and is elected to serve a four-year term. The Urban County Council has fifteen members, including twelve district members who serve two-year terms and three at-large members who serve four-year terms. The Mayor is assisted in the administration of the government by a Chief Administrative Officer and seven departmental commissioners.

The Division of Grants and Special Programs, the governmental unit that has responsibility for the planning and writing of grant applications for federal funds and responsibility for the financial management of federal funds and for compliance with federal regulations, is under the LFUCG’s Chief Administrative Officer. The Division of Grants and Special Programs has responsibility as lead agency for the development of the consolidated plan and for contracting and management of CDBG, HOME, and ESG funds. The Division of Grants and Special Programs operates a homeowner housing rehabilitation program and provides loan servicing for the first-time homebuyer programs operated by nonprofit organizations that use HOME funding.

In 2014, the Lexington-Fayette Urban County Government created an Office of Homelessness Prevention and Intervention (OHPI) in response to recommendations made in the January 2013 report of the Mayor's Commission on Homelessness. The OHPI Director, also under the supervision of the Chief Administrative Officer, is responsible for planning and coordinating recommendations made by the Commission. An LFUCG Homelessness Prevention and Intervention Board appointed by the Mayor was created to guide this mission. The OHPI will assume responsibility for the Continuum of Care process in May of 2015.

In 2014, the Lexington-Fayette Urban County Government also created its own Affordable Housing Trust Fund, providing for an Affordable Housing Board and an Affordable Housing Manager who reports to the Commissioner of Planning, Preservation, and Development. The mission of this program is to leverage public investment to preserve, produce, and provide safe, quality, affordable housing. The Affordable Housing Trust Fund has an independent board appointed by Mayor and approved by Council.

Consolidated Plan Public Contact Information

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AP-10 Consultation – 91.100, 91.200(b), 91.215(I)

1. Introduction

In preparation of the 2016 Annual Action Plan, consultation was sought with a variety of organizations who had an interest in homelessness, housing for low-income persons, social and mental health services, and community development activities. In addition to the organizations below, consultations were conducted with the LFUCG Affordable Housing Manager, the LFUCG Director of Homelessness Prevention and Intervention, the Lexington-Fayette Urban County Housing Authority, the Mayor's Commission on Citizens with Disabilities, and LFUCG's Director of Aging and Disability Services. LFUCG's Affordable Housing Manager and Director of Homeless Prevention and Intervention were new positions in Fiscal Year 2015, and are currently working on developing a joint homeless and affordable housing strategy.

Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(I))

The Lexington-Fayette Urban County Government relies upon the community's many nonprofit and government-based organizations to provide health and social services to low-income households. In providing general fund dollars and federal funds to subrecipient organizations including assisted housing and public housing providers, the LFUCG requires the development of partnerships among existing social service providers to ensure that low- and moderate-income households are provided with a seamless level of services to enhance their self-sufficiency. The LFUCG Department of Social Services has established four divisions (Youth Services, Family Services, Adult and Tenant Services, and Aging and Disability Services), a Domestic Violence Prevention Board, and the Lexington Global Engagement Center (multi-cultural affairs). The staff of these divisions and offices has created collaborative relationships throughout the community with the mission of having all residents healthy and fully engaged.

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.

Central Kentucky Housing & Homeless Coalition, a private, nonprofit organization, previously provided leadership on the planning and development of homeless services and facilities and was been responsible for development of the annual Continuum of Care. With implementation of HEARTH, it became clear that this agency, with no full-time staff, is unable to effectively fulfill the new requirements of this legislation. In July of 2012, a Mayor's Commission on Homelessness was formed to examine issues and concerns surrounding Lexington's homeless population and to recommend needed changes. The final report from this commission contained 48 inter-related recommendations regarding 1) systemic factors affecting homelessness in Lexington: the housing and wage gap, collaboration and coordination, funding, data management, case management and supportive services, a unified system

of entry, education and outreach, day centers, and 24-hour shelter service; and 2) subpopulations of homeless: families, persons with mental illness, the chronically homeless, youth and young adults, persons with substance abuse issues, survivors of intimate partner violence, hospital and jail discharges, the elderly, and veterans. In Fiscal Year 2015, the Lexington-Fayette Urban County Government authorized a new government-based program, Office of Homelessness Prevention and Intervention, with a full-time director and a 13-member board. This new staff and board have assumed responsibility for the Continuum of Care. For fiscal year 2016, the Mayor's Proposed Budget includes funding for a new full-time Continuum of Care Coordinator.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area 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

Lexington-Fayette Urban County Government staff meets annually with the Continuum of Care for the purpose of reviewing allocation of Emergency Solutions Grants funds and discussing how these funds may be better used to address the needs of the homeless population. A summary of applications for these funds is presented to the CoC group for review and comment. The Continuum of Care has voiced concerns about how Rapid Rehousing/Homelessness Prevention program is being operated. These concerns have been helpful in creating a more effective program. LFUCG staff members have become licensed users of the Kentucky HMIS in order to provide support to the community's homeless providers for the purpose of improving participation and helping to create a community-wide coordinated assessment. For the 2016 plan, staff also met with the newly formed Homelessness Prevention and Intervention Board (future Continuum of Care) and the LFUCG Division of Social Services to begin a process of program evaluation.

2. Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdiction's consultations with housing, social service agencies and other entities

See next page.

Table 2 – Agencies, groups, organizations who participated

1	Agency/Group/Organization	HOPE CENTER
	Agency/Group/Organization Type	Services-homeless
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Consultation pending
2	Agency/Group/Organization	Lexington Fair Housing Council
	Agency/Group/Organization Type	Service-Fair Housing
	What section of the Plan was addressed by Consultation?	Impediments to Fair Housing
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Consultation pending
3	Agency/Group/Organization	LEXINGTON HABITAT FOR HUMANITY
	Agency/Group/Organization Type	Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Consultation pending
5	Agency/Group/Organization	Lexington Community Land Trust
	Agency/Group/Organization Type	Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Consultation pending
6	Agency/Group/Organization	REACH, INC.
	Agency/Group/Organization Type	Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The Executive Director of the organization was consulted on revisions to the First Time Homebuyer guidelines and on how federal financial assistance to first-time homebuyers could be improved.
7	Agency/Group/Organization	COMMUNITY ACTION COUNCIL FOR LEXINGTON-FAYETTE, BOURBON,HARRISON
	Agency/Group/Organization Type	Community Action Council
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Anti-poverty Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Consultation pending

Identify any Agency Types not consulted and provide rationale for not consulting

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	LFUCG Office of Homelessness Prevention and Intervention	Goals are consistent
2013 Comprehensive Plan for LFUCG	LFUCG Division of Planning	Goals are consistent
Moving to Work Annual Plan	Lexington Housing Authority	Goals are consistent
Newtown Pike Extension Corridor Plan	LFUCG Divisions of Planning and Engineering	Goals are consistent. Plan is a result of collaboration among LFUCG, Kentucky Transportation Cabinet, and Federal Highway Administration in an effort to preserve a neighborhood while extending a major roadway.

Table 3 – Other local / regional / federal planning efforts

Narrative (optional)

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AP-12 Participation – 91.105, 91.200(c)

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

The Lexington-Fayette Urban County Government (LFUCG) followed an adopted Citizens Participation Plan in its development of the 2016 Annual Action Plan. The LFUCG conducted two public hearings (September 14, 2015, and February 29, 2016) in an attempt to solicit citizen comment on the housing and community development needs of the community. A draft plan was published on March 1, 2016 providing for a 30-day review and comment period through March 31, 2016. The plan was submitted to the Urban County Council for work session review and final approval on April 21, 2016.

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	Public Hearing	Minorities Non-targeted/broad community	14 persons attended first public hearing. 13 persons attended second public hearing.	No comments were received		

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	Letters to organizations, churches, and neighborhood association	Minorities Persons with disabilities Non-targeted/broad community Neighborhood Associations	Applications from several organizations were received. A summary of these applications has been attached in the Executive Summary.	See summary	Some projects were not approved for funding due to past performance, but primarily due to limited funding.	
3	Internet Outreach	Non-targeted/broad community	Public hearings and plan publication were advertised on the government's internet. No comments were received.	No comments were received.	No comments were received.	www.lexingtonky.gov

Table 4 – Citizen Participation Outreach

Expected Resources

AP-15 Expected Resources – 91.220(c) (1, 2)

Introduction

In addition to HOME, CDBG, and ESG funds allocated from the U.S. Department of Housing and Urban Development, the jurisdiction allocates general fund dollars in the amount of \$207,190 as grant match for HOME to be used for housing rehab, homeownership, and rental housing development, and grant match in the amount of \$65,272 for rapid rehousing/homelessness prevention (ESG) and \$10,000 for administration (ESG).

The Jurisdiction also is providing general dollars annually to the Housing Trust Fund in the amount of \$2,000,000 and to the Office of Homelessness Prevention and Intervention in the amount of \$750,000. An additional allocation of general fund dollars in the amount of \$757,500 will be used for emergency shelter operations. LFUCG sewer user funds in the amount of \$233,500 will be allocated to the replacement of sanitary sewers along with CDBG-funded public improvements.

Priority Table

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	2,073,408	150,000	0	2,223,408	6,670,224	
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	965,289	180,000	0	1,145,289	3,420,357	

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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	184,355	0	0	184,355	553,065	
Other	public - local	Acquisition Admin and Planning Housing Multifamily rental new construction Multifamily rental rehab Services	2,750,000	0	0	2,750,000	8,250,000	Lexington Fayette Urban County Government General Fund

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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: \$		
Other	public - local	Admin and Planning Financial Assistance Homebuyer assistance Rental Assistance	282,462	0	0	282,462	847,386	Lexington-Fayette Urban County Government uses general fund dollars to match the HOME program and to provide match for administration and rapid rehousing in the ESG program
Other	public - local	Overnight shelter	757,500	0	0	757,500	2,272,500	Lexington-Fayette Urban County Government General Fund
Other	public - local	Public Improvements	233,500	0	0	233,500	895,000	Sewer User funds collected for purpose of operating sanitary sewer system and for rehabilitating deteriorating sanitary sewers

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

The Lexington-Fayette Urban County Government will provide from its 2017 General Fund grant match in the amount of \$207,190 for the required HOME Investment Partnership Match.

The Lexington-Fayette Urban County Government will provide from its 2017 General Fund grant match in the amount of \$75,272 as partial match for the Emergency Solutions Grants Program. Other match for the Emergency Solutions Grants Program in the amount of \$109,083 will be provided as in-kind match from the Community Partners who are providing services using these federal funds.

The Lexington-Fayette Urban County Government, by Ordinance No. 103-2014 on September 11, 2014, has designated annual funding in the amount of \$2,000,000 for the “Affordable Housing Fund,” and annual funding in the amount of at least \$750,000 for the “Innovative and Sustainable Solutions to Homelessness Fund” continuing on into the Fiscal Year 2017.

LFUCG annually allocates operating funds (General Fund) to community partner agencies with general fund dollars. With the creation of the Office of Homelessness Prevention and Intervention, an estimated annual allocation in the amount of \$757,500 will be expended for emergency shelters in the community in Fiscal Year 2017.

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

The only publicly owned property that is anticipated to be used to address the needs identified in the plan are community centers and park land for use as public facilities.

Discussion

Lexington and its affordable housing developers and partner agencies will continue to pursue funding from the Kentucky Affordable Housing Trust Fund, National Affordable Housing Trust Fund, Low-Income Housing Tax Credits, HUD's SHOP program, HUD's 811 and 202 programs, VASH program, and other state and federal resources as are available to fulfill identified needs of the community.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives - 91.420, 91.220(c)(3)&(e)

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Homeowner Housing Rehabilitation	2015	2019	Affordable Housing		Affordable Housing	CDBG: \$650,173 HOME: \$50,000 Grant Match: \$50,000	Homeowner Housing Rehabilitated: 30 Household Housing Unit
2	Handicap Accessibility for Homeowners	2015	2019	Affordable Housing		Affordable Housing	CDBG: \$10,000	Homeowner Housing Rehabilitated: 4 Household Housing Unit
3	Homeownership	2015	2019	Affordable Housing		Affordable Housing	HOME: \$200,000 Grant Match: \$50,000	Homeowner Housing Added: 3 Household Housing Unit Direct Financial Assistance to Homebuyers: 8 Households Assisted
4	Development of Rental Housing	2015	2019	Affordable Housing Homeless Non-Homeless Special Needs		Affordable Housing	HOME: \$758,760 Grant Match: \$107,190	Rental units constructed: 40 Household Housing Unit Rental units rehabilitated: 182 Household Housing Unit

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Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
5	Public Improvements	2015	2019	Non-Housing Community Development		Public Improvements and Infrastructure	CDBG: \$700,000 LFUCG Sewer User Funds: \$233,500	Public service activities other than Low/Moderate Income Housing Benefit: 2000 Persons Assisted
6	Emergency Repair for Homeowners	2015	2019	Affordable Housing		Affordable Housing	CDBG: \$50,000	Homeowner Housing Rehabilitated: 25 Household Housing Unit
7	Other Public Facilities	2015	2019	Non-Housing Community Development		Public Facilities	CDBG: \$20,000	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 3563 Persons Assisted
8	Public Services-Youth Programs	2015	2019	Non-Housing Community Development		Public Services	CDBG: \$70,435	Public service activities other than Low/Moderate Income Housing Benefit: 566 Persons Assisted
9	Public Services - Non-Homeless Special Populations	2015	2019	Non-Homeless Special Needs		Public Services	CDBG: \$42,000	Public service activities other than Low/Moderate Income Housing Benefit: 102 Persons Assisted

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Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
10	Public Services-- Homeless Populations	2015	2019	Homeless		Public Services	CDBG: \$60,800 ESG: \$97,260 Grant Match: \$97,260 Local Emergency Shelter: \$757,500	Homeless Person Overnight Shelter: 2000 Persons Assisted
11	Rapid Rehousing	2015	2019	Homeless		Rapid Rehousing	ESG: \$57,772 Grant Match: \$57,772	Tenant-based rental assistance / Rapid Rehousing: 19 Households Assisted
12	Homelessness Prevention	2015	2019	At-risk of homelessness		Homelessness Prevention	ESG: \$19,323 Grant Match: \$19,323	Homelessness Prevention: 36 Persons Assisted
13	Fair Housing	2015	2019	Administration		Public Services	CDBG: \$50,000	Other: 1 Other

Table 6 – Goals Summary

Goal Descriptions

1	Goal Name	Homeowner Housing Rehabilitation
	Goal Description	HOME and CDBG funds will be used to continue the Single Family Housing Rehabilitation Program that provides either deferred loans or low-interest loans to low-income owner occupants for purposes of bringing their houses up to code. It is expected that approximately 30 units will be rehabilitated during the 2016 program year and that 25 of these units will be occupied by households whose incomes are below 50% of median income and 5 units will be occupied by households whose incomes are from 50% to 80% of median income.

2	Goal Name	Handicap Accessibility for Homeowners
	Goal Description	Using CDBG funds, the Realtors Community Housing Foundation will continue providing low-income elderly and disabled homeowners with exterior accessibility modifications to include ramps and lifts. It is anticipated that 4 households will be assisted.
3	Goal Name	Homeownership
	Goal Description	HOME funds will be used to support homeownership program as operated by Lexington Habitat for Humanity. This organization constructs/rehabs new units. A minimum of 3 households with incomes below 60% of area median income will become homeowners. HOME funds will be used to support first-time homebuyer program that is operated by R.E.A.C.H., Inc. Approximately 8 low-income households will become homeowners with assistance from this program.
4	Goal Name	Development of Rental Housing
	Goal Description	HOME funds will be used to support the rehabilitation of 180 existing rental units at Parkway Plaza. This project will also be supported with private financing and equity from Low-Income Housing Tax Credits. The Fayette County Local Development Corporation, recognized as a Community Housing Development Organization, will use HOME funds for the new construction of a minimum of 4 new rental units for low income households. Additionally, they will rehabilitate 2 rental units for low income households. HOME funds will be used to support the construction of 36 new rental units for low-income families earning 60% or less of the area median income for Parkside Phase III.
5	Goal Name	Public Improvements
	Goal Description	With CDBG funds, the LFUCG will continue its public improvements in the Meadows/Northland/Arlington neighborhood with the replacement of curbs, gutters and sidewalks, street reconstruction, storm sewer improvements, and sanitary sewer improvements on Park View Avenue, from Bryan Avenue to Oak Hill Drive, including a portion of the 300 block, the 400, and 500 blocks of Park View Avenue

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6	Goal Name	Emergency Repair for Homeowners
	Goal Description	CDBG funds will be used to implement an emergency repair program for low income homeowners. It is anticipated that at least 25 homeowners will benefit from this program
7	Goal Name	Other Public Facilities
	Goal Description	LFUCG will use CDBG funds in the amount of \$20,000 to update an existing outdoor recreational area for the local residents. Funding will be used to resurface the existing basketball court and running track and to replace basketball goals and install new benches.
8	Goal Name	Public Services-Youth Programs
	Goal Description	The LFUCG will use approximately 12.83% of its CDBG revenue for the support of public services in the community. Of the \$173,235 allocated for services, \$70,435 will be used to support services for low-income youth. These services will be Police Activities League, Center for Family & Community Services at Charles Young Center, Community Action Council for Lexington-Fayette, Bourbon, Harrison, and Nicholas Counties, and the Living Arts and Science Center.
9	Goal Name	Public Services - Non-Homeless Special Populations
	Goal Description	The LFUCG will use approximately 12.83% of its CDBG revenue for the support of public services in the community. Of the \$173,235 allocated for services, \$42,000 will be used to support services for low-income populations residing at St. James Place. These residents were previously homeless; a majority of them are disabled and have low educational levels.
10	Goal Name	Public Services--Homeless Populations
	Goal Description	The LFUCG will use approximately 12.83% of its CDBG revenue for the support of public services in the community. Of the \$173,235 allocated for services, \$60,800 will support services for persons who are homeless. Organizations operating these programs are Arbor Youth Services, which operates a Drop-In center for 120 homeless, runaway, and at-risk youth and young families ages 18-24, New Beginnings Bluegrass which operates a transitional housing program for 12 households that are homeless or at-risk of homelessness, and Volunteers of America who will also operate a transitional housing program for 8 homeless families. ESG funds in the amount of \$97,260 will be used to support emergency shelter operations at Hope Center and GreenHouse17. Local General Fund dollars in the amount of \$757,500 will be used to support emergency shelter operations at Arbor Youth Services, GreenHouse17, Hope Center, and Salvation Army.

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11	Goal Name	Rapid Rehousing
	Goal Description	<p>Lexington-Fayette Urban County Government Division of Adult and Tenant Services will be funded in the amount of \$55,272 in ESG funds for the purpose of operating a rapid rehousing program assisting an estimated 19 families to become permanently housed.</p> <p>Arbors Youth Services, Inc., will be funded in the amount of \$5,912 in ESG funds to support the costs of a youth advocate to provide case management services to 6 young households (aged 18-25) who are homeless or at-risk of homelessness. Arbors Youth Services, Inc., will be responsible for grant match from its own budget. This organization will work with LFUCG Division of Adult and Tenant Services.</p>
12	Goal Name	Homelessness Prevention
	Goal Description	<p>Lexington-Fayette Urban County Government Division of Adult and Tenant Services will be funded in the amount of \$10,000 in ESG funds for the purpose of operating a homelessness prevention program assisting an estimated 6 families to retain permanent housing.</p> <p>Arbors Youth Services, Inc., will be funded in the amount of \$5,911 in ESG funds to support the costs of a youth advocate to provide case management services to 6 young households (aged 18-25) who are at-risk of homelessness. Arbors Youth Services, Inc., will be responsible for grant match from its own budget. This organization will work with LFUCG Division of Adult and Tenant Services.</p>
13	Goal Name	Fair Housing
	Goal Description	<p>Lexington currently funds the Human Rights Commission from the Community Development Block Grant Program in the amount of \$50,000. The Commission will continue fair housing education and outreach efforts to analyze and eliminate housing discrimination in the jurisdiction and to promote fair housing choice for all persons in the community.</p>

Table 7 – Goal Descriptions

Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.215(b):

Over the one year period, the jurisdiction plans to add or rehabilitate 228 units of rental housing through Consolidated Plan resources and other funding sources. Since the housing authority's housing choice voucher waiting list is almost consistently closed, the jurisdiction expects to continue the operation of HOME-assisted Tenant-Based Rental Assistance programs for very low-income households, who are homeless, at-risk of homelessness, or with special needs, specifically severe mental illnesses and HIV/AIDS. Also identified as a need is rehabilitation of existing housing units occupied by low-income owners. In response, the jurisdiction will continue operation of a housing rehabilitation program, an emergency repair program, and an accessibility program for persons who are disabled. Over the one-year period, it is anticipated that 59 households will be assisted. In response to the area's high cost of homeownership, the jurisdiction will continue to support subsidies for first-time homebuyers. Over the one-year period, 11 households will be assisted with homeownership.

The jurisdiction will allocate funding for operation of programs for the homeless and for at-risk youth. Annually, approximately 2,285 (estimated) persons will have access to emergency shelter and other services to help them move to permanent housing. ESG funds will also be used with Community Development Block Grant funds to provide homeless and at-risk of homeless persons with severe mental illnesses with immediate access to shelter, with a goal of transitioning them to permanent housing. Annually, it is projected that 12 households will be served. With ESG funds, a rapid rehousing/homelessness prevention program will continue to assist 19 households annually.

AP-35 Projects – 91.220(d)

Introduction

During the 2016 Program year, the jurisdiction will allocate Consolidated Plan funds to projects that improve existing housing for low-income residents through rehabilitation, energy efficiency improvements, lead-based paint hazard reduction, and handicap accessibility improvements, increase the supply of homeownership units through new construction and down payment assistance, and increase the supply of rental units for low-income households with new construction and rehabilitation. Funds will be allocated for services to households who are homeless or at-risk of homelessness and to activities that serve at-risk youth. Case management services will be provided to a low-income special needs population. The jurisdiction will continue its public improvements in the Meadows-Northland-Arlington area, improving the living environment of a low-income residential neighborhood as well as providing improvements to a park located in a low-income neighborhood. The jurisdiction will also continue to support the Lexington-Fayette Urban County Human Rights Commission in an effort to affirmatively further fair housing.

#	Project Name
1	Single Family Housing Rehabilitation Program
2	ESG16 LEXINGTON-FAYETTE
3	Housing Rehabilitation Operations
4	Fair Housing Education and Outreach
5	Housing Rehabilitation, Emergency Repair
6	Youth Services
7	Meadows/Northland/Arlington
8	Transitional Housing
9	First-time Homebuyers Program--R.E.A.C.H.
10	Grantee Administration
11	HOME Administration--LFUCG
12	Realtor Community Housing Foundation Repair Program
13	HOME Administration--CHDO
14	CHDO--Lexington-Fayette County Local Development Corporation
15	Lexington Habitat for Humanity Housing Construction Program
16	Development of Rental Housing Units for Low Income Household
17	CAC Russell School Park
18	Arbor Youth Services Drop-In Center
19	St. James Place Case Manager
20	Volunteers of America of Kentucky

Table 8 – Project Information

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

In assigning priorities for allocating federal funds, the Lexington-Fayette Urban County Government (LFUCG) places a high priority on housing, public improvements, park improvements, public facilities, and public services. In general, needs are given a high priority if the LFUCG believes that it will be able to provide funding for projects to address these needs during the next year, a medium priority is given to needs that may or may not be funded, and a low priority is assigned to those needs that have been identified but for which it is not anticipated there will be funding. In assigning priorities to housing needs, the LFUCG places the highest priorities on the development of rental housing for extremely low-income households ($\leq 30\%$ of area median income) and very low-income households (30.1% to 50% of median income), including housing for persons with special needs (persons with severe mental illnesses, persons with substance problems, persons with HIV/AIDS) and the development of homeownership opportunities for very low-income households and low-income households (30.1% to 80% of median income). A high priority is also placed upon the preservation or rehabilitation of existing housing owned and occupied by households whose incomes are $\leq 80\%$ of median income. Because homeless individuals and families are the neediest people in the community, the LFUCG places a high priority on the provision of services to this population for the purpose of enabling them to advance from homelessness to permanent housing. Services that provide low-income youth with life skills that will help them advance to successful lives of self-sufficiency are also assigned a high priority.

Obstacles to meeting underserved needs in the area of housing include: the high cost of housing units for homeownership, with most new construction, and even older existing housing units, being out of the reach of low-income households; the high cost of rental units; the high cost and scarcity of residential in-fill lots in older neighborhoods for development by nonprofit organizations, and the difficulty in sitting facilities for special needs populations in neighborhoods. Obstacles to serving the needs of the homeless population include the scarcity of state, federal, and local funds to support the services that are required to make many homeless persons with disabilities successful in permanent housing. During the following year, the LFUCG will continue its efforts to make homeownership available to low-income households through a homebuyer subsidy program implemented by R.E.A.C.H. This program serves the purpose of helping to make homeownership affordable to low-income households. During the following year, the LFUCG proposes to expend approximately 12% of its CDBG revenue for services, 26% of which will be spent providing supportive services to homeless persons with the remainder going to address the social service needs of low-income youth.

Projects

AP-38 Projects Summary

Project Summary Information

Table 9 – Project Summary

1	Project Name	Single Family Housing Rehabilitation Program
	Target Area	
	Goals Supported	Homeowner Housing Rehabilitation
	Needs Addressed	Affordable Housing
	Funding	CDBG: \$650,173 HOME: \$50,000 Grant Match: \$50,000
	Description	Federal funds will be used to provide low-interest loans to low-income homeowners and deferred loans to very low-income homeowners for purposes of bringing their homes into compliance with the housing code and to improve energy efficiency. The LFUCG Division of Grants and Special Programs is responsible for operation of this program.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	HOME and CDBG funds will be used to continue the Single Family Housing Rehabilitation Program that provides either deferred loans or low-interest loans to low-income owner occupants for purposes of bringing their houses up to code. It is expected that approximately 30 units will be rehabilitated during the 2016 program year and that 25 of these units will be occupied by households whose incomes are below 50% of median income and 5 units will be occupied by households whose incomes are from 50% to 80% of median income.
	Location Description	Not applicable
	Planned Activities	30 low-income owner occupants will be assisted with bringing their homes up to code, including energy efficiency improvements, lead-based paint abatement or hazard reduction, and accessibility enhancements.

2	Project Name	ESG16 LEXINGTON-FAYETTE
	Target Area	
	Goals Supported	Public Services--Homeless Populations Rapid Rehousing Homelessness Prevention
	Needs Addressed	Rapid Rehousing Homelessness Prevention Emergency Shelter Operations
	Funding	ESG: \$184,355 Grant Match: \$184,355
	Description	2016 ESG allocation funds have been allocated for operation of emergency shelters. Funds have also been allocated for operation of a rapid rehousing program and a homeless prevention program. Administration funds have also been allocated.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	19 homeless households (57 persons) will be assisted under the rapid rehousing program. Households include individuals, couples, and families with children. 12 households at-risk of homelessness (36 persons) will be assisted under the homelessness program. Households include individuals, couples, and families with children. Approximately 2000 single men will be provided emergency shelter by the Hope Center. Approximately 225 persons (adults and children) who are victims of domestic violence will be provided emergency shelter services by GreenHouse17.
	Location Description	Rapid Rehousing/Homelessness prevention are countywide activities. Emergency shelters are located at 360 West Loudon Ave and 4400 Briar Hill Road.
	Planned Activities	Operation of emergency shelters for single men, and for victims of domestic violence. Operation of homelessness prevention for households at risk of homelessness. Operation of rapid rehousing program for homeless households.

3	Project Name	Housing Rehabilitation Operations
	Target Area	
	Goals Supported	Homeowner Housing Rehabilitation
	Needs Addressed	Affordable Housing
	Funding	CDBG: \$350,000
	Description	Operation of the single family housing rehabilitation program. Support the personnel costs of the loan and relocation specialists and the rehabilitation specialists, legal fees, appraisal fees, and other operation supplies. The project is directly operated by the LFUCG's Division of Grants and Special Programs.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	30 households will be provided with assistance in bringing their houses up to code, improving energy efficiency, and reducing lead-based paint hazards. 25 households will be provided with emergency repair services.
	Location Description	This program will operate countywide.
	Planned Activities	Salaries and benefits for staff of the Division of Grants and Special Programs to include Code Enforcement Officers and Financial Officers, appraisals, legal services, loan servicing, training, and necessary supplies and equipment.
4	Project Name	Fair Housing Education and Outreach
	Target Area	
	Goals Supported	Fair Housing
	Needs Addressed	Public Services
	Funding	CDBG: \$50,000
	Description	The project will assist the government in meeting its obligation as an entitlement community to affirmatively further housing. Project consists of retention of a full-time investigator for fair housing complaints. An agreement will be entered into with the Lexington-Fayette Urban County Human Rights Commission for operation of this project.

	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	No beneficiaries. This is funded as an administrative activity.
	Location Description	342 Waller Avenue, Suite 1A
	Planned Activities	Fair housing activities to include technical assistance to public, nonprofit, and faith-based agencies and the private sector in regards to affirmatively furthering fair housing, conducting workshops, collaborations with other agencies to promote fair housing, conducting fact-finding discussions, maintaining fair housing marketing program, investigating and mediating fair housing complaints.
5	Project Name	Housing Rehabilitation, Emergency Repair
	Target Area	
	Goals Supported	Homeowner Housing Rehabilitation Emergency Repair for Homeowners
	Needs Addressed	Affordable Housing
	Funding	CDBG: \$50,000
	Description	Division of Grants and Special Programs will operate an emergency housing repair program for low-income homeowners to include electrical, plumbing, and HVAC repairs
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	25 low-income homeowners will benefit. These will be primarily households with a person who is at least 62 years of age.
	Location Description	Not applicable.

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	Planned Activities	Emergency repairs to include electrical, plumbing, and HVAC for low-income owner-occupants.
6	Project Name	Youth Services
	Target Area	
	Goals Supported	Public Services-Youth Programs
	Needs Addressed	Public Services
	Funding	CDBG: \$70,435
	Description	Youth services activities for the 2016 program year include the Police Activities League, Community Action Council for Lexington-Fayette, Bourbon, Harrison, and Nicholas Counties, Living Arts and Science Center's Art Explorers, and the Center for Family and Community Services at Charles Young Center. All programs provide educational activities for low-income children and adolescents.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	Police Activities League will provide services to 160 low-income children with \$25,000. Community Action Council for Lexington-Fayette, Bourbon, Harrison, and Nicholas Counties in the amount of \$15,215 will serve 70 low-income children. Living Arts and Science Center in the amount of \$20,000 will serve 64 low income children at William Wells Brown Elementary School and 32 low-income middle school children at Lexington Traditional Magnet School. Center for Family and Community Services at Charles Young Community Center in the amount of \$10,220 will serve 100 low-income children from the William Wells Brown Elementary School.

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	Location Description	<p>Community Action Council for Lexington-Fayette, Bourbon, Harrison, and Nicholas Counties will operate its program at 520 Toner Street.</p> <p>Living Arts & Science Center will operate its programs at Williams Wells Brown Elementary School located at 555 East Fifth Street and at Lexington Traditional Magnet School at 350 North Limestone Street.</p> <p>Center for Family and Community Services will operate its program at Charles Young Community Center at 540 East Third Street.</p> <p>Police Activities League will operate programs at 951 Floyd Drive and at Charles Young Community Center at 540 East Third Street.</p>
	Planned Activities	<p>Community Action Council for Lexington-Fayette, Bourbon, Harrison, and Nicholas Counties will provide a youth sports project that will host a series of clinic to introduce chess, soccer, and tennis to low-income youth.</p> <p>Living Arts & Science Center will conduct a 12-week afterschool programs in the Fall and Spring at William Wells Brown Elementary School and Lexington Traditional Middle School using interactive and multi-disciplinary art as a means to improve students' performance in language arts and math.</p> <p>Center for Family and Community Services will operate an afterschool literacy program to improve children's reading abilities. Services will be offered four days per week for three hours each day. Activities will also include parent education.</p> <p>Police Activities League will provide sports and educational opportunities to low-income youth to include cheerleading, football, volleyball, tee-ball, basketball, boxing, and soccer, tutoring, computer classes, summer camping, field trips, community service projects, and neighborhood clean-ups.</p>
7	Project Name	Meadows/Northland/Arlington
	Target Area	
	Goals Supported	Public Improvements

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	Needs Addressed	Public Improvements and Infrastructure
	Funding	CDBG: \$700,000 LFUCG Sewer User Funds: \$233,500
	Description	Reconstruction of the street, curbs, gutters, and sidewalks in Northland Arlington Meadows area. The government's Division of Engineering is responsible for project construction. Plan Year 2 provides for the replacement of curbs, gutters and sidewalks, street reconstruction, and storm sewer improvements on Park View Avenue, from Bryan Avenue to Oak Hill Drive, including a portion of the 300 block, the 400, and 500 blocks of Park View Avenue
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	Approximately 2000 persons will benefit from these public improvements.
	Location Description	This will take place in Census Tract #14. Project location is 300-500 Park View Avenue.
	Planned Activities	Public improvements include storm water drainage improvements, installation of new sidewalks, curbs, gutters, and streets, and replacement of sanitary sewers.
8	Project Name	Transitional Housing
	Target Area	
	Goals Supported	Public Services--Homeless Populations
	Needs Addressed	Public Services
	Funding	CDBG: \$20,000
	Description	Funds will be used for the operation of a transitional housing program for persons with severe and persistent mental illness who are extremely low-income and are homeless or at risk of homelessness.
	Target Date	6/30/2017

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	Estimate the number and type of families that will benefit from the proposed activities	<p>New Beginning Bluegrass, Inc., in the amount of \$20,000 for provision of an outreach work to develop individualized housing plans to individuals with severe and persistent mental illnesses living in unsafe, unstable situations (some are homeless) to transition them to permanent housing. Project will also provide security deposits, start-up costs, utility deposits for 12 households.</p> <p>Volunteers of American, in the amount of \$25,000 for operation of a transitional housing program for approximately 8 homeless families. Case managers will help families achieve and sustain permanent housing.</p>
	Location Description	<p>Scattered sites.</p>
	Planned Activities	<p>An outreach worker will develop individualized housing plans with each program participant who is homeless or at-risk of homelessness. Support will be made through multiple contacts per week. Temporary emergency housing will be provided to individuals living in unsafe, unstable situations to transition them into permanent housing.</p> <p>Case manager works with the families to help them obtain mainstream resources. Additionally, the case manager helps the families to identify and address barriers to self-sufficiency such as mental illness, substance abuse, medical issues, and interpersonal violence.</p>
9	Project Name	<p>First-time Homebuyers Program--R.E.A.C.H.</p>
	Target Area	
	Goals Supported	<p>Homeownership</p>
	Needs Addressed	<p>Affordable Housing</p>
	Funding	<p>HOME: \$150,000 Grant Match: \$50,000</p>
	Description	<p>R.E.A.C.H. Inc., will provide subsidies for eligible first-time homebuyers purchasing new or existing single-family units. Subsidies will be in the form of downpayment assistance and/or assistance with closing costs. An agreement will be entered into with R.E.A.C.H. Inc., for program operation.</p>
	Target Date	<p>6/30/2017</p>

	Estimate the number and type of families that will benefit from the proposed activities	HOME Investment Partnerships Program funds in the amount of \$200,000 will be used to support a first-time homebuyer program operated by Resources Education & Assistance for Community Housing (REACH, Inc.). Approximately 8 low-income households will be assisted.
	Location Description	Scattered sites.
	Planned Activities	Assistance in the form of mortgage subsidies and assistance with closing costs will be provided to households so that they can become first-time homebuyers.
10	Project Name	Grantee Administration
	Target Area	
	Goals Supported	Homeowner Housing Rehabilitation
	Needs Addressed	Affordable Housing
	Funding	CDBG: \$220,000
	Description	Project will support the administrative costs of operating the CDBG program. These costs include administrative personnel, professional services, equipment, supplies, and other operating costs of the program.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	No beneficiaries. This is an administrative activity.
	Location Description	Not applicable.
	Planned Activities	Funds will be used to support the administrative costs of the CDBG program. Funds will be used to support personnel costs, training, supplies, and professional services.
11	Project Name	HOME Administration--LFUCG
	Target Area	

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	Goals Supported	Homeowner Housing Rehabilitation
	Needs Addressed	Affordable Housing
	Funding	HOME: \$96,529
	Description	Support Administrative costs of the LFUCG in the operation of the HOME program. This includes salaries, professional services, loan servicing, office supplies, professional development, and other operating costs.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	No beneficiaries. This is an administrative activity.
	Location Description	Not applicable.
	Planned Activities	Funds will be used to support administrative activities of the HOME program. Funds will be used for personnel costs, training, supplies, and professional services. Funds will also be used to support administrative costs for subrecipients who are operating the tenant-based rental assistance programs.
12	Project Name	Realtor Community Housing Foundation Repair Program
	Target Area	
	Goals Supported	Handicap Accessibility for Homeowners
	Needs Addressed	Affordable Housing
	Funding	CDBG: \$10,000
	Description	Organization will provide exterior repairs and new roofing to housing units that are owned and occupied by LMI elderly persons; provide ramps and other accessibility renovations to houses of LMI persons with mobility impairments; provide emergency repairs for very low-income elderly homeowners. A subrecipient agreement will be entered into with Realtor Community Housing Foundation for operation of the program.
	Target Date	6/30/2017

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	Estimate the number and type of families that will benefit from the proposed activities	The Realtors Community Housing Foundation will be awarded \$10,000 in Community Development Block Grant funds for the purpose of installing exterior ramps and lifts for elderly and disabled persons for purposes of accessibility. Approximately 4 households will be assisted.
	Location Description	scattered sites
	Planned Activities	Low-income households with mobility disabilities will be assisted with installation of ramps or lifts.
13	Project Name	HOME Administration--CHDO
	Target Area	
	Goals Supported	Development of Rental Housing
	Needs Addressed	Affordable Housing
	Funding	HOME: \$40,000
	Description	Administrative costs of the jurisdiction's CHDO--Lexington-Fayette County Local Development Corporation.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	No beneficiaries
	Location Description	Units are scattered sites.
	Planned Activities	Funds will be used to support the operating costs of the CHDO.
14	Project Name	CHDO--Lexington-Fayette County Local Development Corporation
	Target Area	
	Goals Supported	Development of Rental Housing
	Needs Addressed	Affordable Housing

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	Funding	HOME: \$144,793
	Description	As the designated CHDO, the Lexington-Fayette County Local Development Corporation will acquire properties, rehabilitate units or conduct new construction for use as rental properties for low-income households.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	HOME Investment Partnerships Program funds in the amount of \$144,018 will be allocated to the Fayette County Local Development Corporation (CHDO) for the development (new construction) of a minimum of four units and rehabilitation of a minimum of two units for rent to low-income households. Total cost of this development is estimated at \$321,750. In addition to HOME funds, local financial institutions will provide other necessary funding.
	Location Description	Locations have not been determined.
	Planned Activities	Funds will be used to support the construction costs of a total of 6 rental housing units in the downtown area.
15	Project Name	Lexington Habitat for Humanity Housing Construction Program
	Target Area	
	Goals Supported	Homeownership
	Needs Addressed	Affordable Housing
	Funding	HOME: \$50,000
	Description	Lexington Habitat for Humanity will receive HOME funds for use as developer subsidies to support the new construction or rehabilitation of 3 single-family houses for households who are at or below 60% of area median income. Funds will be used to support the coordination costs of constructing the units.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	HOME funds in the amount of \$50,000 will be used to support a homeownership program as operated by Lexington Habitat for Humanity.
	Location Description	Locations have not been determined.

	Planned Activities	A minimum of three units will be constructed for homeownership by households who are at or below 60% of the area median income.
16	Project Name	Development of Rental Housing Units for Low Income Household
	Target Area	
	Goals Supported	Development of Rental Housing
	Needs Addressed	Affordable Housing
	Funding	HOME: \$613,967 Grant Match: \$107,190
	Description	Parkside Phase III - HOME funds will be used as gap financing in the construction of rental housing for low-income households. Funds will be used for the construction of 9 HOME-assisted units in a complex of 36 units. Parkway Plaza - HOME funds will be used as gap financing in the rehabilitation of rental housing for low-income households. Funds will be used the rehabilitation of 4 HOME-assisted units in a complex of 180 units.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	Parkside Phase III - With HOME Investment Partnerships Program funds, gap financing in the amount of \$500,000 (\$311,932 from Program year 16) for construction of 36 rental units for low-income households at Parkside Phase III. Other funds in the project will come from Kentucky Affordable Housing Trust Fund, Lexington Affordable Housing Trust Fund, FAHE, tax credits and deferred developer fee. Total development cost for these units is \$5,994,450. Only nine units will be HOME-assisted. Parkway Plaza - With HOME Investment Partnerships Program funds, gap financing in the amount of \$410,000 for rehabilitation of 180 rental units for low-income households at Parkway Plaza. Other funds in the project will come from Kentucky Affordable Housing Trust Fund, Lexington Affordable Housing Trust Fund, FHA 221(d)(4), and 4% tax exempt bonds. Total development cost for these units is \$11,890,107. Only four units will be HOME-assisted.
	Location Description	1044-1048 Cross Keys Road; and 431 Rogers Road
	Planned Activities	The developer will construct 36 units. Nine units will be assisted with HOME funds and will provide rental housing to households that are at or below 50% of area median income.

17	Project Name	CAC Russell School Park
	Target Area	
	Goals Supported	Other Public Facilities
	Needs Addressed	Public Facilities
	Funding	CDBG: \$20,000
	Description	LFUCG will use CDBG funds in the amount of \$20,000 to update an existing outdoor recreational area for the local residents.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	Area Benefit will provide a recreational space for 3,563 persons in census tract 02.
	Location Description	520 Toner Street
	Planned Activities	Funding will be used to resurface the existing basketball court and running track and to replace basketball goals and install new benches.
18	Project Name	Arbor Youth Services Drop-In Center
	Target Area	
	Goals Supported	Public Services--Homeless Populations
	Needs Addressed	Public Services
	Funding	CDBG: \$15,800
	Description	Funds will be used for the operation of a Drop-In Center for homeless, runaway, and at-risk youth.
	Target Date	6/30/2017

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	Estimate the number and type of families that will benefit from the proposed activities	Arbor Youth Services, in the amount of \$15,800 for operation of a Drop-In Center for 120 homeless, runaway, and at-risk youth and young families ages 16-24.
	Location Description	540 West Third Street
	Planned Activities	Outreach, education and homeless services will be provided such as a place to complete laundry, cook meals, shower and receive case management support.
19	Project Name	St. James Place Case Manager
	Target Area	
	Goals Supported	Public Services - Non-Homeless Special Populations
	Needs Addressed	Public Services
	Funding	CDBG: \$42,000
	Description	CDBG funds will be used to fund the position of a Case Manager for the 102 residents at St. James Place
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	Provide a case manager for the 102 residents of St. James Place Apartments. St. James Place houses low-income and very-low-income previously-homeless individuals. A vast majority of them deal with a physical or mental malady, and many are nearly illiterate. Without proper guidance many do not have any understanding of the agencies that are there to support them. Additionally, they may not have the ability to grasp the procedures necessary to obtain the support they need to sustain permanent housing.
	Location Description	169 Deweese Street
Planned Activities	The case manager would assist residents with referrals to proper local government and private entities for health, finances, benefits, and other forms of support. Additionally, the case manager would assist residents directly with understanding correspondence, the need for personal hygiene, the need for health agency support, understanding the workings of certain agencies, and guidance on securing employment or disability support.	

20	Project Name	Volunteers of America of Kentucky
	Target Area	
	Goals Supported	Public Services--Homeless Populations
	Needs Addressed	Public Services
	Funding	CDBG: \$25,000
	Description	CDBG funds will be used for the operation of a transitional housing program for homeless families.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	Provides intensive case management for purpose of helping homeless families achieve and sustain permanent housing. A total of 25 families (125 beneficiaries) will be served.
	Location Description	501 West 6th Street, Suite 250 is address of administering agency. Housing units will be scattered site.
	Planned Activities	Funds will be used for salaries and fringe benefits for program manager, case manager, and housing counselor and for professional development.

AP-50 Geographic Distribution – 91.220(f)

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

The Lexington-Fayette Urban County Government (LFUCG), during the next year, will continue to direct funding from the Community Development Block Grant (CDBG) program into census tract #14 for public improvements (street reconstruction, curbs, gutters, sidewalks, storm sewer and sanitary sewer improvements) on Park View Avenue, from Bryan Avenue to Oak Hill Drive, including a portion of the 300 block, the 400, and 500 blocks of Park View Avenue. 80.95% of the households are low- and moderate-income, and African-Americans make up 18% of the population and persons of Hispanic Origin make up 9.6% of the population.

Assistance for housing rehabilitation is based upon household eligibility and may be located anywhere in the urban county area. The first-time homebuyer program supports development of single family housing by the Lexington Community Land Trust and Lexington Habitat for Humanity. Area owned by the Community Land Trust for construction of housing is located in Census Tract #9 which has a low- and moderate-income population of 89.9%. Census Tract #9 is 12.29% African-American, 6.44% Asian and 3.24% Hispanic. Lexington Habitat for Humanity constructs housing as buildable lots are available throughout the community; however, the organization has recently acquired approximately 50 lots in a subdivision in Census Tract 37.04 which is not a low-income census tract. The African-American Population makes up 20.17% of the population and Hispanics make up 3.70% of the population. The production of new rental housing is encouraged in non low-income census tracts.

Funds for services are not based upon geographic locations, but based upon income eligibility of population being served.

Geographic Distribution

Target Area	Percentage of Funds

Table 10 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

Public improvements in the Northland-Meadows-Arlington area are part of a planned twenty-year strategy to improve the infrastructure and drainage problems in this large low-income neighborhood. The lead agency in recommending allocations for investments in public improvements is the LFUCG Division of Engineering.

Public investment in housing rehabilitation, housing production, and homeownership are encouraged throughout the jurisdiction in an effort to provide low-income households with maximum choice in housing location. The Lexington Community Land Trust will construct new single family units for homeownership in Census Tract 9. The Community Land Trust is a result of a partnership among Lexington-Fayette Urban County Government, the U.S. Department of Housing and Urban Development, and the Kentucky Transportation Cabinet in the construction of the Newtown Pike Extension Project. An Environmental Justice finding on this project resulted in creation of a land trust as a mitigation effort to ensure that low-income residents were not unduly burdened. Lexington Habitat for Humanity traditionally built housing in low-income areas as a cost-saving effort; however the organization has recently purchased lots in Brookfield Chase, a new subdivision in a non low-income census tract; however, the location of each unit is ultimately that of the homebuyer. REACH, Inc., provides down payment assistance to first-time homebuyers of existing housing throughout the community. LFUCG's Division of Grants and Special Programs operates a single family housing rehabilitation program and an emergency repair program for eligible households throughout the community.

Discussion

Other geographic areas that need improved public infrastructure and public facilities will be considered for funding in the future.

Affordable Housing

AP-55 Affordable Housing – 91.220(g)

Introduction

During the project year, the following affordable housing units will be assisted:

- Lexington’s single family housing rehabilitation program for low-income owners—30 units
- Lexington’s emergency repair program—25 units
- Realtor’s Community Housing Foundation RAMP program –accessibility improvements – 4 units
- Parkway Plaza rehabilitation of 180 rental units—only four will be HOME-assisted
- Parkside Phase III construction of 36 rental units – only nine will be HOME-assisted
- Habitat for Humanity will construct three new homeownership units
- Fayette County Local Development Corporation will construct four new rental units and rehab 2 existing

One Year Goals for the Number of Households to be Supported	
Homeless	0
Non-Homeless	284
Special-Needs	0
Total	284

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

One Year Goals for the Number of Households Supported Through	
Rental Assistance	0
The Production of New Units	43
Rehab of Existing Units	241
Acquisition of Existing Units	0
Total	284

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

Discussion

AP-60 Public Housing – 91.220(h)

Introduction

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

Lexington Housing Authority's needs during the coming year are the completion of the rehabilitation of 206 units at Centre Meadows and the need for funding for rehabilitation of Appian Hills project. LHA is also focusing on the acquisition and development of smaller sites, typically only a half-dozen units or less. To the extent that funds are available, the jurisdiction will assist LHA with acquiring and developing these properties.

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

One of the most promising and exciting initiatives included in LHA's goals for the Moving To Work (MTW) program is the Self-Sufficiency Through Resident Involvement Vision & Education (STRIVE) Program. STRIVE was debuted to LHA residents living at the 6th Street HOPE VI sites during the summer of 2014. The initiative rewards positive behavior among LHA households. LHA anticipates continuing this program.

HOME funds allocated to REACH, Inc., will continue to be used to assist LHA's Housing Choice Voucher holders with the opportunity to become homeowners. The HCV Homeownership Program requires potential homebuyers to be both income and mortgage eligible by a mortgage lender. HOME funds are used to subsidize the principal, making the unit affordable.

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

The Lexington Fayette Urban County Housing Authority is not designated as "troubled" by HUD. The Lexington Fayette Urban County Housing Authority has been deemed a high performer since entering the MTW demonstration in 2011.

Discussion

The Lexington-Fayette Urban County Housing Authority is a Moving to Work Agency which allows the Housing Authority the flexibility to grant housing choice vouchers to Special Partners in the Community. Many of these programs assist persons who are homeless or at risk of homelessness. Included are 65 vouchers for persons with mental illnesses, 185 vouchers for persons in recovery from chemical dependency, 80 vouchers for persons residing in the One-Parent Scholar program, 25 vouchers for homeless families, and 25 vouchers for victims of domestic violence. Other organizations have a total of 53 vouchers.

AP-65 Homeless and Other Special Needs Activities – 91.220(i)

Introduction

LFUCG's one-year goal for reducing and ending homelessness is to provide funding to organizations that prevent/re-house homeless persons and that operate emergency shelters that have a plan for moving people from homelessness to permanent housing. The January 27, 2016 point in time count found 1,064 persons living on the streets, in shelters, and in transitional housing, reflecting a decrease of 26% since the count in 2014. The count also shows that chronic homelessness has been cut in half, and that veteran homelessness has been nearly ended. Since the LFUCG created the Office of Homelessness Prevention and Intervention and invested \$2 million annually from the general fund, a Housing First Pilot Project, a Mental Health Court, a new Emergency Family Housing Program, and a Street Outreach Project have been initiated.

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

Hope Center, Inc. operates an aggressive street outreach program in an effort to engage homeless persons who do not present to a shelter. Hope Center also operates the HopeMobile which includes food, clothing, healthcare, and referrals for shelter, counseling and job training. This program is partially funded through LFUCG's Department of Social Services Extended Social Service Grant Program.

During fiscal year 2015, Lexington's Office of Homelessness Prevention and Intervention awarded a three-year contract to the National Alliance for the Mentally Ill for operation of a Mental Health court designed as a diversion program for nonviolent offenders providing them with intensive case management. Local general fund dollars in the amount of \$300,000 are being awarded for this program. The Office of Homelessness Prevention and Intervention also awarded a three-year contract to Hope Center, Inc., for operation of a pilot Housing First Project to serve 20 homeless participants, primarily those with mental illness, substance abuse, co-occurring disorders, and/or physical problems. Both of these projects are were implemented in Fiscal Year 2015 and will be for a period of three years.

Addressing the emergency shelter and transitional housing needs of homeless persons

Hope Center, Inc., will be funded in the amount of \$65,260 from the ESG Program for the purpose of supporting basic operations of the emergency program for homeless men. This is the community's primary shelter for homeless men. This shelter provides three meals per day, overnight lodging, and shower and laundry facilities. As clients sign in, they are assessed in the intake office and referred to programs designed to address client needs and assist clients in regaining independence. Hope Center programs include long-term recovery, mental health care, employment, transitional housing, social services, detox unit, and a Hispanic program. Approximately 2000 homeless men are served each year.

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The performance standard is to provide basic emergency shelter services and transitional housing for persons who are homeless, and through case management and referral, assist them into advancing to permanent housing.

GreenHouse17 (formerly Bluegrass Domestic Violence Program) will be funded in the amount of \$32,000 from the ESG Program for the purpose of operating an emergency shelter for the victims of domestic violence. This program's emergency shelter services are especially designed to reduce the duration and damage of homelessness by helping individuals and families victimized by domestic violence transition from the acute trauma of abuse to stability and eventual self-sufficiency. Approximately 225 adults and children are served annually. The performance standard is to provide basic emergency shelter services and transitional housing for persons who are homeless, and through case management and referral assist them into advancing to permanent housing

The Mayor's 2017 proposed budget also includes funding for four emergency shelters. These are Arbor Youth Services in the amount of \$150,000, GreenHouse17 in the amount of \$120,000, Hope Center in the amount of \$260,000, and Salvation Army in the amount of \$227,500.

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

Lexington-Fayette Urban County Government **Division of Adult and Tenant Services** will be funded in the amount of \$55,272 in ESG funds for the purpose of operating a rapid rehousing program for individuals and families who are homeless. Approximately 19 families will be assisted. A nonfederal match of \$55,272 will come from the 2017 General Fund of the Lexington-Fayette Urban County Government. The performance standard is to increase the number of homeless households moving into permanent housing.

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.

Lexington-Fayette Urban County Government Division of Adult and Tenant Services will be funded in the amount of \$10,000 in ESG funds for operation of a homelessness prevention program in conjunction with Arbor Youth Services. LFUCG General Fund dollars in the amount of \$10,000 will be used as grant match. Approximately 12 households who are at-risk of homelessness will be assisted. The target

population will be youth who were previously in foster care or are otherwise without a family safety net. Arbor Youth Services will be funded in the amount of \$11,823 to provide intensive case management to augment the financial assistance. Arbor provides a continuum of care through multiple agency programs to ensure that youth and families obtain sustainable housing and independence and prevent chronic homelessness. Arbor Youth Services' objective is to provide youth with early intervention services to combat the severe health and safety issues that vulnerable youth are exposed to when experiencing homelessness.

New Beginnings Bluegrass, Inc. will be allocated CDBG funds in the amount of \$20,000 to support a peer support outreach worker to develop individualized housing plans to individuals with SPMI living in unsafe, unstable situations to transition them to permanent housing. Some of these persons have been previously hospitalized in mental health facilities and some of them have fallen into homelessness.

The Mayor's 2017 proposed budget includes \$200,000 as allocation to the Division of Adult Services for financial assistance to prevent homelessness when there is a temporary income loss and evictions or utility shut-offs are threatened.

The Mayor's 2017 proposed budget also includes \$2,271,576 from the Extended Social Resource Grant Program for basic human needs, mental health and substance abuse services, positive youth development, public health, services for senior citizens, and violence prevention. These funds will provide support of programs to 49 community nonprofits to address community needs, most of which address housing, health, social services, employment education and youth needs.

Discussion

Lighthouse Ministries, a faith-based organization in downtown Lexington, operates a daytime free lunch program for people who are homeless and/or low-income. The organization provides lunch at two sittings, six days per week. The organization has expanded its facility to create a dining facility that will seat 190 people and include a full commercial kitchen. In exchange for funding in the amount of \$67,657 in general funds dollars from the Office of Homelessness Prevention and Intervention, Lighthouse Ministries has agreed to operate the Dining with Dignity program in this space for a minimum of three years. Lighthouse will make the space available 365 nights each year to groups/organizations wishing to serve meals to people who are homeless and low-income. The goal of this project is to consolidate as many scattered nightly meal service programs as possible, including meals served in parts and other public spaces, into this one facility. The result will be a more pleasant and consistent dining experience for those in need. At this time, organizations are providing meals four evenings per week.

One year goals for the number of households to be provided housing through the use of HOPWA for:
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family
Tenant-based rental assistance
Units provided in housing facilities (transitional or permanent) that are being developed, leased, or operated
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds
Total

DRAFT

AP-75 Barriers to affordable housing – 91.220(j)

Introduction

The greatest identified development of affordable housing in the community is the escalating cost of land, although it should be noted that the economic conditions of the past few years have slowed the previous rates of escalating values. Lexington does use an Urban Service Area approach which restricts growth to specific areas. There are no immediate plans to expand its urban service area. Given current development rates, it has been determined that there are adequate amounts of land for commercial, residential, and industrial uses in the existing urban services area. During the coming program year the Lexington-Fayette Urban County Government will continue with the construction phase of the Southend Park Urban Village, an area traditionally low-and very low-income, as part of a major transportation project that will extend Newtown Pike from Main Street to South Limestone Street. The housing phase of the project will result in the eventual new construction of 155 residential units. During fiscal year 2015, the first 14 units of rental housing were completed and occupied. In order to provide affordable units and to ensure that these units remain affordable, a Community Land Trust for perpetual ownership of land has been organized as a means of protecting the land from a speculative market. This represents Lexington's first attempt to organize a Community Land Trust. Successful implementation may pave the way for other applications of this model.

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

Other perceived barriers to the development of affordable housing are the regulations imposed upon new construction in infill areas. The Lexington-Fayette Urban County Government zoning ordinance has been amended to facilitate infill and redevelopment in existing neighborhoods, protecting these neighborhoods from inappropriate development, improving the quality of infill, and eliminating unnecessary regulations. In a continuing effort to monitor the effects of these modifications, the Division of Planning conducts periodic meetings with the stakeholders, primarily affordable housing providers and neighborhood residents, to evaluate the effects, both good and bad, of the infill and redevelopment regulations. Based upon these meetings additional text amendments to the ordinance may be proposed. The Division of Planning has also continues to work with the Division of Water Quality to assess sanitary and storm sewer infrastructure in infill and redevelopment areas to determine the appropriateness of expanded development.

During Fiscal Year 2015, Lexington launched its own Affordable Housing Trust Fund, allocating an initial \$3,000,000 from general fund for the purpose of producing and preserving safe, quality, affordable housing through coordination with public and private partners, investment in strategic opportunities, and policy development. Legislation was also enacted assuring a minimum of \$2 million allocation

annually. This included the creation of a Director of Affordable Housing and an Affordable Housing Board.

Lexington has also reactivated its Vacant Property Review Commission, and under city ordinance, may now classify property as abandoned which has been vacant or unimproved for a period of at least one year and which is unfit for occupancy, or has become a place for the accumulation of trash and debris, or has been infested with rodents or other vermin, or has been tax delinquent for a period at least three years. Once declared as abandoned, the property is taxed additionally at the rate of \$1.00 per each \$100.00 of assessed value. As of now 96 properties have been classified as abandoned.

Discussion

DRAFT

AP-85 Other Actions – 91.220(k)

Introduction

Actions planned to address obstacles to meeting underserved needs

The jurisdiction has recognized a need for public services and public improvements in its Cardinal Valley neighborhood. A small area plan has been completed for this area. An early identified underserved need is for adequate public services for this low-income, largely Hispanic neighborhood. In Program Year 2015 CDBG funds were allocated for a feasibility study for an eight acre commercial site for the purpose of creating a public service area that would uniquely serve the residents of this area. The feasibility study has now been completed. It includes the cost of acquiring land, clearing existing buildings, and environmental remediation and the relationship to the adjacent floodplain, and addresses possible methods of financing the construction, maintenance, and operations, as well as ownership options of the land to ensure the long-term viability of the project as a community asset for both the partner agencies and LFUCG. The likely partner agencies are the Lexington Public Library for construction of a new branch library to replace a leased storefront and Community Action Council for construction of a services center to include Head Start programming and work skills training.

Actions planned to foster and maintain affordable housing

Lexington-Fayette Urban County Government will use its federal, state, and local allocations to develop and maintain affordable housing through development of new rental housing, rehabilitation of existing housing (owner and renter), fostering homeownership for low-income first-time buyers, and support of tenant-based rental assistance for very low-income households who have disabilities. To the greatest extent possible, the jurisdiction will seek other funds to help fill the identified gap for affordable housing.

During the coming year, the LFUCG will continue its support of public housing by working with the Lexington Fayette Urban County Housing Authority in its attempts to rehabilitate or reconstruct public housing units that have exhibited structural failure and been deemed unsafe for habitation.

Actions planned to reduce lead-based paint hazards

Lexington-Fayette Urban County Government uses some of its HUD entitlement funds for low-income owner-occupied rehab and first-time homebuyer activities. The staff has been trained and certified on lead-based paint regulations. Staff determines the level of lead-based paint compliance for the projects. Risk assessment, lead testing, evaluation of testing results, lead-based paint control, and abatement procedures are completed as necessary. The work write-ups for rehab projects incorporate lead-based paint hazard reduction work and protective measures. When indicated, clients with small children are referred to the Fayette County Health Department for blood lead screening.

For the coming year it is anticipated that 30 housing rehabilitation jobs will be completed for low-income owner-occupied units. It is estimated that 75% of these units will be found to have lead hazards requiring either interim controls or abatement. Depending on the level of potential lead hazards, some households are temporarily relocated during rehabilitation. All homeowners whose houses required interim controls or lead abatement are given the Lead Hazard Information Pamphlet and Disclosure and, if paint testing or a risk assessment was conducted, they are given a Notice of Lead Hazard Evaluation and Reduction. The LFUCG staff also conducts lead hazard evaluations of all pre-1978 units that are being purchased by low-income households under the HOME assisted first-time homebuyer programs for the purpose of ensuring that the units are lead-safe. These homebuyers are also provided with a Lead Hazard Information Pamphlet and Disclosure and if paint testing or a risk assessment was conducted a Notice of Lead Hazard Evaluation and Reduction. The Code Enforcement staff of the Division of Grants and Special Programs also conducts lead screening on all pre-1978 housing units that are assisted under the Emergency Solutions Grants Homelessness Prevention/Rapid Rehousing activity. For other federally funded housing activities, the LFUCG staff provides lead hazard evaluations and resident notification as required by 24 CFR Part 35.

Actions planned to reduce the number of poverty-level families

The Antipoverty Strategy for the Annual Action Plan is the same as that described in the 2015 Five-Year Strategic Plan.

Actions planned to develop institutional structure

LFUCG's Division of Grants and Special Programs is an administrative division that reports to the Chief Administrative Officer. This division is responsible for the financial management of all federal and state grants to the Lexington-Fayette Urban County Government. The division has lead responsibility for development of the Consolidated Plan and for implementation and monitoring of CDBG, HOME, and ESG programs. In addition the division is responsible for operating a housing rehabilitation program and an emergency housing repair program for low-income households. LFUCG's Division of Engineering is responsible for planning, bidding, and constructing public improvements. This division reports to the Commissioner of the Department of Planning, Preservation, and Development. The LFUCG has employed an Affordable Housing Manager to conduct activities under the Affordable Housing Trust Fund. This manager reports to the Commissioner of the Department of Planning, Preservation, and Development. The Director of the Office of Homelessness Prevention and Intervention, also a new position, is housed in the Mayor's Office. There are no restructuring plans in process at this time.

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

During Fiscal Year 2015, the Lexington-Fayette Urban County Government created an Office of Homelessness Prevention and Intervention and an Office of Affordable Housing. The Director of the Office of Homelessness Prevention and Intervention serves in a leadership role to enhance coordination between public and private housing and social service agencies to end homelessness in Lexington. This will include providing leadership to the Continuum of Care process and developing a centralized intake system for services for homeless persons. Also in 2015, the LFUCG created an Affordable Housing Trust Fund with the mission of facilitating the preservation, production, and provision of safe, quality, affordable housing through coordination with public and private partners, investment in strategic opportunities, and policy development. The trust fund is guided by a board that includes council members, housing developers, constructors, financial institutions, housing providers, and providers of social services and supportive services.

The LFUCG will continue to rely upon private nonprofit social service agencies, including faith-based entities, for the provision of services to the homeless and to special needs populations such as persons with severe mental illnesses, persons with developmental disabilities/mental retardation, persons with substance abuse problems, and persons with HIV/AIDS. Over the years, the LFUCG has established strong collaborative relationships with these organizations.

Discussion

Program Specific Requirements

AP-90 Program Specific Requirements – 91.220(I)(1,2,4)

Introduction

Community Development Block Grant Program (CDBG) Reference 24 CFR 91.220(I)(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
Total Program Income:	0

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.	100.00%

**HOME Investment Partnership Program (HOME)
Reference 24 CFR 91.220(l)(2)**

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

No other forms of investment will be used.

- 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:**

The jurisdiction proposes recapture of HOME funds when homebuyers sell units before the expiration of the period of affordability, except in cases where funds are used for homeownership by Lexington Habitat for Humanity and the Lexington Community Land Trust. Homeownership supported by these two entities will use resale guidelines to ensure affordability of units.

- 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:**

See Pages 93-96 in the appendices for resale and recapture guidelines.

- 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:**

Use of HOME funds to refinance existing debt is not planned.

**Emergency Solutions Grant (ESG)
Reference 91.220(l)(4)**

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

See Page 98 in grantee's unique appendices.

- 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 Office of Homelessness Prevention and Intervention has produced policies and procedures for the OneDoor Lexington Coordinated Entry (coordinated assessment system) with a go-live date of May 24, 2016. This system provides that any homeless person may enter the system through any organization and be referred for the appropriate level of services Organizations' staff have been trained on use of the Vulnerability Index - Service Prioritization Decision Assistance Tool (VI-SPDAT). Recipients receiving funding from the U.S. Department of Housing and Urban

Development's homeless assistance grants participate in the Kentucky Homeless Management Information System operated by the Kentucky Housing Corporation (HMIS Lead Agency). Lexington has also begun requiring that all agencies receiving local and other public funds (CDBG) for services to the homeless population be compliant with entering data into the HMIS, and agree to participate in a coordinated assessment. The HMIS In Lexington is now an "open" system, which means that client data is shared for those individuals who have signed a Release of Information (ROI) form. Only a few agencies have elected to keep data closed. A truly integrated centralized intake system functions best in an "open" environment that allows users to view important information about other housing and services that a client household may have received. The Central Kentucky Homeless and Housing Initiative (CKHHI) has served as the Fayette County user group for the KYHMIS; however as of May 2015 this role was assumed by the Office of Homelessness Prevention and Intervention. The Director of the Office of Homelessness Prevention and Intervention is requiring that all subrecipients of general fund emergency shelter dollars participate in the development of a coordinated assessment and further agree to participate in its implementation.

Lexington's Office of Homelessness Prevention and Intervention has taken an active role in implementation of a coordinated assessment in Fayette County. The New Life Day Center (day shelter) and Hope Center will begin use of SkanPoint, which includes issuance of personal identification cards that will be used to access services. This will also provide the agencies and the community with more efficient tracking of the use of services by clients, as well as more accurate entry-exit data.

At this time, the lead HMIS agency is working to improve the structure of the system. The following goals have been completed:

- Confirming all agencies and all funding components within CoC structure.
- Restructuring all agency funding components for the ability to make multiple referrals to multiple agencies by email and share client/household data for that referral.
- Restructuring all agency funding components to comply with HUD's APR and CAPER reporting requirements.
- Conducting joint planning meeting with the HMIS lead agency to establish goals in relation to Lexington-Fayette County's homeless system needs.
- Conducting HMIS user training on new system structures and how to utilize the system for a community solution.

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).

For the 2016 Program Year, the Lexington-Fayette Urban County Government (LFUCG) used a public process to solicit applications for funding from the Emergency Solutions Grants program.

At the first Public Hearing on September 14, 2015, information on regulations and eligible activities along with forms to use were made available. Also included were the criteria that would be used to evaluate projects. A direct mail to nonprofit agencies serving homeless persons, low-income persons, and minority populations, low-income neighborhood associations, churches in low-income neighborhoods, and to Urban County Government council members and their staff was conducted to inform them of the process and how information on requesting funding could be obtained: paper copies mailed from the government agency, computer disks, and downloading of fill-in the blank forms from the LFUCG web page. The LFUCG website was also used to inform the public of the process that would be followed. The website included the calendar of events in the process and the phone number to call to request further information and/or assistance.

All applications were due on or before December 4, 2015. The criteria used to review and rank applications included applicant capacity, project quality, need for project, and operational feasibility. ESG applications were reviewed and ranked by the staff of the LFUCG Division of Grants and Special Programs. These recommendations were then reviewed and approved by staff of the Chief Administrative Officer.

On January 8, 2016, the Director of the Division of Grants and Special Programs, Lexington-Fayette Urban County Government (LFUCG) consulted with the Office of Homeless Prevention and Intervention, the organizational entity that maintains responsibility for the Lexington/Fayette County Continuum of Care to discuss distribution of funds for the FY 2017 Emergency Solutions Grants Program. The distribution plan included the use of federal funds for homeless prevention for persons at-risk of homelessness and rapid re-housing for homeless persons, for operation of the area's homeless shelters that made applications for funds for operations, and for administration. This discussion included the need to develop a coordinated assessment in Fayette County, to become fully compliant with inputting data into Kentucky Homeless Management Information System, and to evaluate the programs funded under the Emergency Solutions Grants Program. It is anticipated that during the 2016 program year that the Division of Grants and Special Programs will improve the coordination between the jurisdiction and the CoC Agency.

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.

The LFUCG is governed by a Mayor and Council members elected by popular vote, and therefore cannot be directly compliant with this requirement. The Lexington Office of Homelessness Prevention and Intervention (OHPI) was created in June of 2014 with the appointment of a full-time director and the organization of a 13-member Homeless Prevention and Intervention (HPI) Board comprised of elected officials, business leaders, service providers, community advocates, faith-based organizations, and people experiencing homelessness.

The functions of the HPI Board include the following:

- Consider and recommend solutions to specific issues as they arise:
- Consider and advise Director of OHPI on broad matters that impact people experiencing homelessness:
- Review and consider progress on implementation of recommendations made by Mayor's Commission on Homelessness:
- Monitor key indicators and other data to track and understand trends:
- Support OHPI by disseminating activities and reports to respective constituencies and other key stakeholders:
- Establish guidelines for LFUCG funding to support activities that reduce and prevent homelessness: In addition, the LFUCG's Division of Adult and Tenant Services has organized an advisory committee for its homeless prevention/rapid re-housing services that includes two members of the formerly homeless population.

5. Describe performance standards for evaluating ESG.

The performance standard is to move homeless individuals and families into safe and affordable housing. Beginning with the 2015 program year, follow-up will be conducted up to six months after assistance has ended to ascertain if households are still permanently housed.

Discussion

Homelessness Prevention

The performance standard is to ensure that individuals and families at-risk of homelessness be retained in or moved into safe and affordable housing. Beginning with the 2016 program year, follow-up will be conducted up to six months after assistance has ended to ascertain if households are still permanently housed.

Emergency Shelter

The performance standard is to provide safe emergency shelter services for persons who are homeless, and through case management and referral, assist them into advancing to permanent housing. Documentation of the number of homeless persons moving to permanent housing will be maintained.

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RESOLUTION NO. 214 - 2016

A RESOLUTION AUTHORIZING AND DIRECTING THE MAYOR, ON BEHALF OF THE URBAN COUNTY GOVERNMENT, TO EXECUTE AND SUBMIT THE 2016 CONSOLIDATED PLAN/GRANT APPLICATION TO THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD), TO PROVIDE ANY ADDITIONAL INFORMATION REQUESTED IN CONNECTION WITH THIS GRANT APPLICATION, AND TO ACCEPT THE GRANT IF THE APPLICATION IS APPROVED, WHICH GRANT FUNDS ARE IN THE AMOUNT \$3,217,882.00 FEDERAL FUNDS, ARE FOR FY 2017 COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (\$2,073,408.00), HOME PROGRAM (\$960,119.00), AND EMERGENCY SOLUTIONS GRANT PROGRAM (\$184,355.00), THE ACCEPTANCE OF WHICH OBLIGATES THE URBAN COUNTY GOVERNMENT FOR THE EXPENDITURE OF \$273,789.00 FROM VARIOUS FUNDING SOURCES AS LOCAL CASH MATCH AND \$116,593.00 IN-KIND MATCH; AUTHORIZING THE MAYOR TO TRANSFER UNENCUMBERED FUNDS WITHIN THE GRANT BUDGET; AND AUTHORIZING THE MAYOR TO EXECUTE AGREEMENTS FOR THE APPROVED PLAN.

BE IT RESOLVED BY THE COUNCIL OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT:


Section 1 - That the Mayor, on behalf of the Lexington-Fayette Urban County Government, be and hereby is authorized and directed to execute and submit the 2016 Consolidated Plan/Grant Application, which is attached hereto and incorporated herein by reference, to the United States Department of Housing and Urban Development (HUD), to provide any additional information requested in connection with this Grant Application, and to accept this Grant if the application is approved, which Grant funds are in the amount of \$3,217,882.00 Federal funds, are for FY 2017 Community Development Block Grant Program (\$2,073,408.00), HOME Program (\$960,119.00), and Emergency Solutions Grant Program (\$184,355.00), the acceptance of which obligates the Urban County Government for the expenditure of \$273,789.00 from various funding sources as a local cash match and \$116,593.00 in-kind match.

Section 2 - That the Mayor, on behalf of the Lexington-Fayette Urban County Government, be and hereby is authorized and directed to execute agreements with the entities listed, and for the purposes set forth, in the 2016 Consolidated Plan/Grant Application.

Section 3 - That subject to the provisions of Ordinance No. 22-79, the Mayor is hereby authorized, in his discretion as Chief Executive Officer of the Urban County Government, to transfer the unencumbered balance of any operating or capital account appropriation to another operating or capital account appropriation within the Grant budget established herein.

Section 4 - That this Resolution shall become effective on the date of its passage.

PASSED URBAN COUNTY COUNCIL: April 21, 2016



MAYOR

ATTEST:


CLERK OF URBAN COUNTY COUNCIL
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FAIR HOUSING AND TITLE VI

Lexington currently funds the Human Rights Commission from the Community Development Block Grant Program to conduct fair housing education and outreach efforts, to analyze and eliminate housing discrimination in the jurisdiction, and to promote fair housing choice for all persons in the community. In addition to CDBG funds, LFUCG also provides the commission with \$235,000 in general fund dollars for agency operation.

The last Analysis of Impediments to Fair Housing was completed in 2009. During the 2015 program year, Lexington issued an RFP and selected a consultant to conduct an Analysis of Impediments to be completed by July 31, 2016. The Lexington Fair Housing Council and the Lexington-Fayette County Human Rights Commission are among the agencies who were asked to participate in drafting the RFP and in selection of a consultant.

Consultation with the Executive Director of the Lexington Fair Housing Council has been conducted. Results of this consultation indicate that while progress has been made in furthering fair housing in Lexington, there are still improvements to be made. Cost of housing and land tend to be the greatest factors in preventing a more integrated housing environment. Family households are looking for housing for rent and ownership in neighborhoods with low crime rates and better performing schools, areas which tend to have higher-cost housing. This pattern is self-perpetuating. Because of land costs, developers of low-income housing are not necessarily able to develop housing in neighborhoods with low crime rates and good schools. The more desirable approach would be low concentration of units for low-income households across many neighborhoods or a mixed-income approach.

During the summer of 2016, the jurisdiction will revise its Citizens Participation Plan to include federal regulation updates, to provide for more inclusive participation by all citizens, and to update the methods by which citizens are notified of public hearings, application announcements, and draft plan notifications. The jurisdiction plans to make greater use of social media. The Citizens Participation Plan may also incorporate elements of Title VI requirements. At this time, advertisements for public hearings are advertised in the media that serves the African American population, but are not interpreted in other languages.

The LFUCG Division of Grants and Special Programs is still in the process of drafting a "Four-Factor Analysis and Language Access Plan for Limited English Proficiency Persons" for compliance with Title VI. This plan will be completed by September 30, 2016. An analysis of LEP populations indicates that approximately 15,000 persons in Fayette County speak English less than "very well." Spanish and Chinese are the two languages that meet the threshold requirement of 1,000 or more. Individuals who do not speak English "very well" but do speak a language other than Spanish or Chinese also need to be accommodated as well as possible given the available resources. Per the 2013 "State of Fair and Affordable Housing Report" for Lexington-Fayette Urban County, the top 10 foreign languages spoken are Spanish, French, Russian, Chinese (Mandarin and Cantonese), Japanese, Vietnamese, Arabic, Swahili and Portuguese. These languages will be taken into consideration when the Language Assistance Plan is developed. LFUCG's subrecipients of CDBG, ESG, and HOME funds are required to comply with the provision of Title VI. Most of these subrecipients serve a

diverse population, and are able to provide interpreters or use the language line when necessary. Staff of the Division of Grants and Special Programs attended Title VI training in the spring of 2015, offered by the Kentucky Transportation Cabinet.

With the fiscal year 2017 General Fund budget, the Department of Social Services has requested a new employee to serve in the role of Language Assistance Coordinator in the Office of Multicultural Affairs. The Office of Multicultural Affairs is charged with assessing the service needs of Lexington's immigrants, refugees, visitors, and other limited English proficient individuals and supports their civic integration and access to business and services in compliance with Kentucky and federal law. The office provides multilingual assistance, cross-cultural education and links to the international communities to all divisions of the Lexington-Fayette Urban County Government and to the community at-large on request. A new staff position will enhance the government's response to needs of the Limited English Proficient Population.

In 2016 the LFUCG will launch a new website that will include a Google language option providing LEP persons with greater access to all government services, including services provided by programs funded by the U.S. Department of Housing and Urban Development, as well as an enhanced role in the Consolidated Plan process.

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Lexington-Fayette Urban County Government
DIVISION OF GRANTS AND SPECIAL PROGRAMS

Jim Gray
Mayor

Sally Hamilton
CAO

February 11, 2016

Dear Citizen:

The Lexington-Fayette Urban County Government announces that a second Public Hearing will be held on Monday, February 29, 2016, at 6:00 PM in the Council Chambers, 2nd floor of the Government Center at 200 East Main Street, Lexington, Kentucky. The purpose of the Public Hearing is to obtain citizens' views on the development of the proposed Consolidated Plan one-year Action Plan for the program year 2016-2017 that is to be submitted by the LFUCG to the U.S. Department of Housing and Urban Development and to provide information on housing and non-housing needs of the low- and moderate-income residents of the community.

Information that will be provided at the Public Hearing includes the amount of federal assistance that the LFUCG expects to receive from the CDBG, ESG, and HOME programs for federal program year 2016, the range of activities which may be undertaken through these programs, including the amount that will benefit persons of low and moderate income and information on the proposed priorities and proposed activities to be undertaken in the one-year action plan for the period July 1, 2016 through June 30, 2017. If you have any questions, or desire additional information regarding this public hearing, please contact Suzie Loveday, Grants Manager, Division of Grants and Special Programs, 200 East Main Street, 6th Floor, Lexington, KY 40507, 258-3073 (TDD 425-2563).

The Lexington-Fayette Urban County Government operates its programs and services without regard to race, color, and national origin in accordance with Title VI of the Civil Rights Act of 1964. If information is needed in languages other than English or if you are a person with a disability that would necessitate assistance so that you might participate in the above listed meeting, please contact the Division of Grants and Special Programs at 859-258-3070 at least 7 days in advance of the public hearing so that arrangements may be made.

Sincerely,

Irene Gooding
Director



Lexington-Fayette Urban County Government
DIVISION OF GRANTS AND SPECIAL PROGRAMS

Jim Gray
Mayor
February 24, 2016

Sally Hamilton
CAO

Dear Citizen:

The Lexington-Fayette Urban County Government (LFUCG) announces that as of March 1, 2016, the 2016 Consolidated Plan one-year Action Plan will be available for review by citizens, public agencies, and other interested parties. The purpose of the Consolidated Plan is to serve as a planning document for the LFUCG's participation in the U.S. Department of Housing and Urban Development's community planning and development programs. The overall goal of these programs is to develop viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities for low and moderate-income persons.

The 2016 Action Plan is a one-year plan that provides for the allocation of federal funding from the Community Development Block Grant (CDBG) program in the amount of \$2,073,408, program income from the CDBG program in the amount of \$150,000; federal funding in the amount of \$960,119 from the HOME Investment Partnerships program, \$206,027 in local cash match for the HOME program, \$180,000 program income from the HOME Program; and \$184,355 in federal funding from the Emergency Solutions Grants (ESG) program.

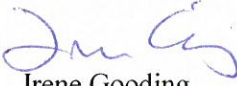
The annual action plan provides for these funds to be expended on public improvements, housing rehabilitation, public services, first time homebuyer program, construction of new rental units, homeless prevention and rapid rehousing activities, operational support for emergency and transitional housing, services for homeless persons and youth, and planning and administration activities. The one-year period is from July 1, 2016, to June 30, 2017.

As of Tuesday, March 1, 2016, copies of the Action Plan will be available for public examination in the Reference Room at the Lexington Public Library located at 140 East Main Street and at the Library's branch locations. The Action Plan may also be examined in the office of the Division of Grants and Special Programs, Lexington-Fayette Urban County Government, 200 East Main Street, 6th floor, between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday. A reasonable number of free copies of the Action Plan may be obtained from the Division of Grants and Special Programs. If information is needed in languages other than English, please contact the Division of Grants and Special Programs at 859-258-3070 (TDD 425-2563).

Citizen comments will be accepted for a period of 30 days, Tuesday, March 1, 2016, through 5:00 p.m., Thursday, March 31, 2016.

Please address comments to the attention of Irene Gooding, Director of the Division of Grants and Special Programs, LFUCG, 6th Floor, 200 East Main Street, Lexington, KY 40507.

Sincerely,


Irene Gooding
Director

PROCESS USED TO RECOMMEND PROJECTS FOR FUNDING
2016 ONE-YEAR ACTION PLAN
CONSOLIDATED PLAN

For the 2016 Program Year, the Lexington-Fayette Urban County Government (LFUCG) used a public process to solicit applications for funding from the Community Development Block Grant program, the HOME Investment Partnerships program, and the Emergency Solutions Grants program.

At the first Public Hearing on September 29, 2015, information on regulations and eligible activities along with forms to use were made available. Also included were the criteria that would be used to evaluate projects. A direct mail to nonprofit agencies serving homeless persons, low-income persons, and minority populations, low-income neighborhood associations, churches in low-income neighborhoods, and to Urban County Government council members and their staff was conducted to inform them of the process and how information on requesting funding could be obtained: paper copies mailed from the government agency, computer disks, and downloading of fill-in the blank forms from the LFUCG web page. The LFUCG website was also used to inform the public of the process that would be followed. The website included the calendar of events in the process and the phone number to call to request further information and/or assistance.

All applications were due on or before December 4, 2015. The criteria used to review and rank applications included applicant capacity, project quality, need for project, and operational feasibility. CDBG public facilities, public improvements, and housing applications along with ESG, and HOME applications were reviewed and ranked by the staff of the LFUCG Division of Grants and Special Programs. Applications recommended for funding were reviewed based upon applicant capacity, project quality, need for project, and operational feasibility. These recommendations were then reviewed and approved by the Chief Administrative Officer and Mayor's staff.

A Second Public Hearing was conducted on February 29, 2016. The draft plan was published on March 1, 2016. Final decision on funding rests with the Urban County Council. After the expiration of the 30-day public comment period on March 31, 2016, the Council reviewed the plan for adoption at its meetings on April 7 and April 21, 2016.

**2016 CONSOLIDATED PLAN
COMMUNITY DEVELOPMENT BLOCK GRANT APPLICATIONS
SERVICES
Page 1 of 2**

NAME OF THE AGENCY	NAME OF THE PROJECT	CDBG FUNDS REQUESTED	OTHER FUNDS	DESCRIPTION OF THE PROJECT	HISTORY	FINAL RECOMMENDED AMOUNT
Volunteers of America of Kentucky, Inc. CONT 16 yrs. \$46,000-2014	Lexington Family Housing Program	\$76,705	\$180,051	Continuation of transitional housing program for homeless families for 12-18 months. Provides intensive case management for purpose of helping homeless families achieve and sustain permanent housing. Will serve 8 families (24 beneficiaries). Funds will be used for salaries and fringe benefits for program manager, case manager, and housing counselor and for professional development.	Incorrect and untimely quarterly reports. Lack of timely response for corrective action. Not funded for 2015. Not received correct HMIS reports for 6/30/15, not processing payments.	\$25,000
The Bishop & Chase Foundation NEW	The Bishop & Chase Downtown Youth Development Initiative	\$100,800	\$100,000	After-school mentoring, tutoring, recreational activities, life skills, etc for youth in downtown Lexington. Will serve 1,000 beneficiaries. Funds will be used for salaries, studio equipment, field trips, and emergency assistance for youth such as the purchase of clothing and toiletries.	None	\$0
Living Arts & Science Center CONT 2 yr. \$14,500-2014 \$23,200-2015	Art Explorers After School Program-2 schools	\$28,087	\$19,120	Art Explorers after-school Program at William Wells Brown Elementary School and Lexington Traditional Magnet School will provide third grade and middle school students with multi-disciplinary and interactive art projects, with the goal of improving performance on related academic core content. William Wells Brown is among the lowest performing schools in the state. It is anticipated that 64 children from WWB and 32 youth at LTMS will be served.	Still have \$5,000 balance on 2014 funds, no expenses on 2015 funds. Only served 24/64 year ending 6/30/2015.	\$20,000
New Beginnings Bluegrass, Inc. CONT 2 yr. \$30,000	Homeless Outreach	\$30,000	\$1,950	Provision of an outreach worker to develop individualized housing plans to individuals with SPMI living in unsafe, unstable situations to transition them to permanent housing. Project will also provide security deposits, first month's rent, start-up costs, and utility deposits/overdue utilities for 12 households.	Still have \$18,000 balance on 2014 funds, no expenses on 2015 funds. HMIS ok, assisted 6/12 year ending 6/30/2015.	\$20,000
REACH, Inc. Funded \$16,800 in 2013	Money Management 101	\$6,800	\$0	Financial and life skills educational workshops to low-income persons. The project will serve 180 persons.	Balance of 50% of 2013 funds. Workshops mostly at Salvation Army, 0 outcomes.	\$0
Ruby E. Bailey Family Service Center, Inc.	Operation Regeneration	\$46,400	\$0	Community outreach and afterschool program	Funded with CDBG_2009 in the amount of \$10,000.	\$0
Arbor Youth Services, Inc., NEW	Street Outreach Drop In Center	\$15,746	\$20,669	Program that targets homeless, runaway, at-risk youth and young families with youth ages 16-24. Activities include outreach, education and homeless services such as providing a place to complete laundry, cook meals, shower, and receive case management support. Anticipate serving 120 youth. Funds will be used for salaries, travel, food, and client document fees.	Untimely quarterly reports, spending ok. Served 78/120 year ending 6/30/2015.	\$15,800

**2016 CONSOLIDATED PLAN
COMMUNITY DEVELOPMENT BLOCK GRANT APPLICATIONS
SERVICES**

Page 2 of 2

NAME OF THE AGENCY	NAME OF THE PROJECT	CDBG FUNDS REQUESTED	OTHER FUNDS	DESCRIPTION OF THE PROJECT	HISTORY	FINAL RECOMMENDED AMOUNT
Center for Family & Community Services at Charles Young Community Center CONT 1 yr \$10,220	Family Literacy	\$22,270	\$27,710	Proposes an increase in services from last year. After school literacy component will develop students' reading comprehension and study skills. Services will be offered after school, four days a week for 3-hour sessions. Project will also empower parents to address their own developmental needs, and monthly workshops will be offered to address child development topics. Approximately 100 persons will be served.	Funded with 2015 CDBG; slow spending. Review ok. They're not coming up with outcomes or proof of obtaining outcomes.	\$10,220
Central Kentucky Youth Orchestras NEW	North Limestone MusicWorks	\$45,000	\$28,350	After school music education program at William Wells Brown Elementary; Activities include: Salaries, travel, space rental, instrument purchase/repair, classroom supplies, sheet music, snacks, etc. Approximately 50 beneficiaries will be served.	None – new applicant	\$0
CAC NEW	Douglass Youth Sports Project	\$15,215	\$7,936	Youth sports project for ages 11-17 in Georgetown St and St Martins Village neighborhoods. Sports include soccer, chess and tennis. Activities include salaries, fringe benefits, sports equipment, liability insurance and field use expense. Approximately 70 beneficiaries will be served	New project.	\$15,215
Foundation for Affordable Housing, Inc.	St. James Place Apartments – Case Manager	\$46,000	\$0	Case manager for 102 residents at St. James Place. Will assist residents with referrals, healthy living, employment and other support.	New project.	\$42,000
Fresh Stop Lexington/ North Limestone NEW	Lexington Fresh Stop	\$10,000	\$18,300	Operation funding for the Lexington Fresh Stop which provides produce at a discounted rate to low-income families. Activities include salaries, travel, supplies and signage. Approximately 3,000 beneficiaries will be served.	New project.	\$0
Greenhouse17 CONT. 8 yrs \$15,500-2014	Housing and Self-Sufficiency Project	\$15,500	\$21,000	Provision of housing advocacy for victims of domestic violence with the objective of helping them obtain and retain permanent housing. Approximately 50 persons will be served. Funds are used for salaries.	Review ok.	\$0
Lexington-Fayette Urban County Division of Police CONT 15 yrs \$25,000-2015	Police Activities League	\$73,731	0	Program dedicated to low-income youth including sports activities (football, basketball, cheerleading & boxing) along with educational programs (remedial reading, computer classes, tutoring). Approximately 300 youth will benefit from these programs. Funds will be used for field trips, supplies, equipment, registration, dues and insurance.	Incorrect quarterly reports not sent in a timely manner that also must be corrected.	\$25,000
Totals		\$532,254.00	\$425,086.00			\$173,235.00

Total amount for services for 2016 = \$173,235. In 2015, we awarded \$136,420 for services.

**2016 CONSOLIDATED PLAN
COMMUNITY DEVELOPMENT BLOCK GRANT APPLICATIONS
HOUSING, PUBLIC FACILITIES, AND ADMINISTRATION
PAGE 1 OF 2**

NAME OF THE AGENCY	NAME OF THE PROJECT	CDBG FUNDS REQUESTED	OTHER FUNDS	DESCRIPTION OF THE PROJECT	HISTORY	FINAL RECOMMENDED AMOUNT
NoLi CDC	York Street HempHouse – NoLi CDC Office	\$107,965	\$17,147	Project proposes to construct a demonstration facility (and office building) for the use of Hempcrete and other hemp building materials/products with the purpose of acting as a catalyst for local builders to use this product. 200-300 beneficiaries will be served. Project proposes Area-Benefit of low-income households.	None – New applicant	\$0
NoLi CDC	York Street – Condemned House Demolition	\$12,200	\$21,694	Project proposes to demolish two residential structures and convert them into affordable housing.	None – New applicant	\$0
NoLi CDC	York Street Community House	\$65,000	\$57,071	Project proposes to construct a community space that will be made available to the community, free of charge.	None – New applicant	\$0
Realtor Community Housing Foundation CONT \$30,000 - 2015	RAMP(Remodeling for Accessibility Program)	\$60,000	\$39,950	Project proposes to construct ramps or install lifts for low-income homeowners with mobility impairments. Reduced funding will allow 4 households to be assisted instead of 24.	Balance of \$20,000 of 2014 funds, no expenses 2015 funds.	\$10,000
Community Action Council for Lexington-Fayette, Bourbon, Harrison, and Nicholas Counties	Russell School Recreational Space	\$22,708	\$0	Project proposes to rehabilitate the existing basketball court, goals and running track at the Russell School property. Approximately 5,000 people will benefit from the project (change to 3,563).	New Project	\$20,000
Lexington Fayette Urban County Human Rights Commission CONT. \$50,000-2015	Fair Housing Enforcement, education and outreach	\$60,000	\$0	Identify fair housing problems, assemble fair housing information, and work to solve fair housing problems Funds will be used for salaries and benefits for a full-time investigator, ED hours, and Senior Office Manager hours, equipment, supplies, mediation services, testing, and advertisement/promotion. LFUCG has a legal obligation to affirmatively further fair housing.	Review ok.	\$50,000
Administration		\$250,000	\$0	Salaries, professional services, professional development, operating supplies		\$220,000
Housing Rehab Administration		\$360,000	\$0	Salaries, professional services, professional development, operating supplies		\$350,000
Housing Rehabilitation		\$1,000,000	\$0	Rehabilitation construction costs to include lead-based paint hazard reduction and abatement, energy efficiency improvements, handicap accommodations, code violations, and historic preservation—25 units		\$650,173
Housing Rehabilitation		\$50,000	\$0	Emergency repair program for owner occupants - 25 units per year		\$50,000

**2016 CONSOLIDATED PLAN
COMMUNITY DEVELOPMENT BLOCK GRANT APPLICATIONS
HOUSING, PUBLIC FACILITIES, AND ADMINISTRATION
PAGE 2 OF 2**

NAME OF THE AGENCY	NAME OF THE PROJECT	CDBG FUNDS REQUESTED	OTHER FUNDS	DESCRIPTION OF THE PROJECT	HISTORY	FINAL RECOMMENDED AMOUNT
Public Improvements	Park View Avenue to Meadow Park	\$700,000	\$0	Construction of Public Improvements in MNA-5F		\$700,000
		\$2,687,873	\$135,862			\$2,050,173

Total Services: \$ 173,235
Housing, Public Facilities, Administration: \$2,050,173
Total: \$2,223,408

Federal Revenue: \$2,073,408
Program Income: \$ 150,000
Total Revenue: \$2,223,408

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**2016 CONSOLIDATED PLAN
HOME INVESTMENT PARTNERSHIPS PROGRAM
HOUSING PROJECTS**

Page 1 of 1

NAME OF THE AGENCY	NAME OF THE PROJECT	HOME FUNDS	OTHER FUNDS	DESCRIPTION OF THE PROJECT	HISTORY	RECOMMENDED FOR FUNDING
AU Associates	Parkside Phase III	\$500,000	\$5,381,298	36 units of rental units—new construction	Didn't receive tax credits last year, so they weren't funded.	\$306,117
Foundation for Affordable Housing	St. James Place Renovation 2016	\$959,861	\$0	Rehabilitation of 100 single occupancy units occupied for extremely low-income persons, most of whom have incomes below 30% of the AMI and most of whom are formerly homeless; This rehab could be done in annual steps.		\$0
Lexington Habitat for Humanity, Inc.	Lexington Habitat Build	\$199,990	\$1,585,010	3 new construction single family homes for homeownership for families of less than 60% of median income.	Not funded in 2015	\$50,000
Fayette County Local Development Corporation	CHDO Operation Grant	\$132,804	\$35,000	Operating costs of the CHDO program		\$40,000
Fayette County Local Development Corporation	CHDO Development – Inner city	\$141,750	\$180,000	Redevelopment of 2 scattered site lots & construction of 4 3-bedroom single family or duplex dwellings to be operated as rental housing in the East end neighborhood		\$144,018
REACH, Inc.	REACH HOME Program	\$450,000	\$1,750,320	Homeownership for 18 households – reduce # of households to 8.	Funded for \$250,000 in 2015;	\$200,000
REACH, Inc	REACH CHDO program (development)	\$254,728	\$246,448	Purchase and rehabilitate 2 existing units for sale to low-income first time homebuyers. Caution on pre-1978 units	Not funded in 2015. Not spending or producing units.	\$0
The Ezekiel Foundation, Inc., Managing Partner of the to be formed Parkway Manor, LLC	Parkway Plaza Rehab	\$500,000	\$11,390,107	Rehabilitation of existing 180 units of rental housing	Recommended for funding last year but didn't it.	\$410,000
LFUCG	Housing Rehab	\$400,000	\$0	Single Family Housing Rehab—5 units		\$100,000
LFUCG	Administration	\$100,000	\$0	Administration		\$96,011
	TOTAL:	\$3,639,133	\$20,568,183			\$1,346,146

Administration comes from LFUCG admin
Revenue: Federal Funds \$960,119
Match \$206,027
Program Income \$180,000
Total Revenue \$1,346,146

Match Calculation:
Federal Funds \$960,119
x .9 = 864,107
Less CHDO Operating -\$40,000
Subtotal \$824,107
X .25 = \$206,027

A minimum of 15% must be spent on CHDO activities.

**2016 CONSOLIDATED PLAN
EMERGENCY SOLUTIONS GRANTS APPLICATIONS**

Page 1 of 1

NAME OF THE AGENCY	NAME OF THE PROJECT	ESG FUNDS REQUESTED	OTHER FUNDS	DESCRIPTION OF THE PROJECT	HISTORY	RECOMMENDED FOR FUNDING
LFUCG-Division of Adult & Tenant Services	Adult & Tenant Services Homeless Prevention Program	\$60,000	\$60,000	Rapid Rehousing for homeless households-- payment of rent, utilities; Prevention for households at risk LFUCG provides a 50% match; \$57,772 for Adult & Tenant Services; \$7,500 for AYS	Funded for \$50,000 in 2015	\$65,272
Hope Center, Inc.	Hope Center Emergency Shelter	\$120,000	\$900,000	Operating cost of men's emergency shelter on Loudon Avenue. Funds will be used to pay for personnel costs.	Funded for \$65,260 in 2015	\$65,260
GreenHouse17 (formerly Bluegrass Domestic Violence Program)	Emergency Shelter and Concomitant Services	\$49,620	\$49,620	Emergency shelter and supportive services to women and children who are homeless as a result of domestic violence. Funds will be used for monthly mortgage payment	Funded for \$32,000 in 2015;	\$32,000
Arbor Youth Services, Inc.	AYS Rapid Rehousing	\$11,823	\$13,792	Case Management for 12 households between the ages 18 and 24 that are currently homeless or at risk of homelessness. LFUCG Division of Adult and Tenant Services will fund deposits, rent, and utilities for these households.	Funded for \$11,457 in 2015	\$11,823
Community Action Council	Emergency Family Housing Expansion	\$50,000	\$50,000	Funds will be used for salaries, travel, supplies, rent expenses (for emergency shelter), hotel/motel vouchers, security deposits, utility deposits, transportation and maintenance expenses for apartments.	New project	\$0
Administration	LFUCG Division of Grants and Special Programs	\$10,000	\$10,000	Contracting, monitoring, reviewing and approving payables; LFUCG provides a 50% match of \$10,000		\$10,000
TOTAL REQUESTED		\$301,443	\$1,083,412			\$184,355

Total Federal Amount: \$184,355

LFUCG provided match: **\$65,272 + \$10,000 = \$75,272**

No more than 60% (\$110,613) may be spent for emergency shelter and street outreach activities.

No more than 7.5% (\$13,827) can be spent for Administration.

All activities require a 50% match.



**LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT
HOME FIRST TIME HOMEBUYER ASSISTANCE
GUIDELINES
MAY 2016**

INTRODUCTION

The Lexington-Fayette Urban County Government (LFUCG) will make HOME funds available to nonprofit corporations for the purpose of developing and operating first-time homeownership programs for low-income households. The government's primary objective in using part of its HOME allocation for first-time homeownership programs is to increase the number of affordable housing units in the community and to increase the opportunities for homeownership for low-income families in Fayette County. In general, the LFUCG will provide HOME funds to approved nonprofits for the purpose of purchasing or rehabilitating existing single-family houses; new construction of single family houses which will be marketed to eligible and qualified first-time homebuyers; and direct assistance to first-time homebuyers for the purchase of new or existing single-family houses. Assistance will be provided to eligible homebuyers under either the recapture option or the resale option.

These guidelines will serve as operational parameters within which the nonprofits can receive HOME funds and provide financial assistance to first-time homebuyers. Hereinafter in this document, nonprofits may be referred to as grantor agencies. In addition to these guidelines, all projects funded under the HOME Investment Partnerships Program are subject to the regulations codified at 24 CFR Part 92.

STATEMENT OF INTENT

The content of this document establishes the operating parameters for all Lexington-Fayette Urban County Government HOME funded first time homebuyer programs. It is the intent of the Lexington-Fayette Urban County Government to provide in each homebuyer case the smallest subsidy necessary to make the purchase possible. As the Lexington-Fayette Urban County Government provides funds for the first time homebuyer programs of several non-profits, it is the responsibility of each non-profit to attract other public and private funds and to minimize the use of HOME funds.

FAIR HOUSING

LFUCG administers a variety of HUD programs and is required to affirmatively further the purposes and policies of the Fair Housing Act, which is Title VIII of the Civil Rights Act of 1968. The Fair Housing Act not only prohibits discrimination, but in conjunction with other statutes, directs LFUCG to take steps to proactively overcome historic patterns of segregation, promote fair housing choice, and foster inclusive communities for all.

Under Consolidated Plan regulations, LFUCG is required to undertake fair housing planning, which consists of the following: 1) an Analysis of Impediments (AI) to fair housing choice; 2) actions to address the identified impediments; and 3) maintenance of records to support the affirmatively furthering fair housing certification.

The Affirmative Marketing Plan is part of the 2015 Consolidated Plan which may be viewed on the LFUCG website at www.lexingtonky.gov.

ELIGIBLE FIRST-TIME HOMEBUYERS

All Applicants for homebuyer assistance must meet the following criteria:

- Be a first time homebuyer (Borrower cannot currently own or have owned a home for at least the last three years)
- Must occupy the home as its principal residence throughout the period of affordability
- Must not have at any time in the past received HOME funding for homebuyer assistance as provided by the LFUCG
- Must have completed 8 hours pre-purchase counseling and homebuyer education through a HUD-certified counseling agency as evidenced by a Certificate/Letter of Completion. In lieu of HUD-certified counseling, LFUCG may approve an alternate counseling program.
- Annual household income, as calculated by HUD regulations at 24 CFR Part 5, must not exceed 80% of the Area Median Income limit for the Lexington-Fayette MSA. The purchasing household must be low income at the time of approval by the Division of Grants and Special Programs, or at the time the HOME funds are invested, whichever is later. Verification of income is required and is good for a period of six months.

Funds are available for any low-income family that has been a resident of Fayette County Metropolitan Service Area for one (1) year which includes: Bourbon, Clark, Fayette, Jessamine, Scott and Woodford Counties. The assisted unit must be located in Fayette County.

ELIGIBLE ACTIVITIES

- New Construction
- Acquisition and rehabilitation of existing vacant single-family residential structures
- Acquisition of an existing unit that meets Housing Quality Standards and local property maintenance code

Nonprofits may use HOME funds to purchase and rehabilitate properties whose after-rehab appraised value is less than actual costs of production only with prior written approval from the Division of Grants and Special Programs. In cases where the costs for acquisition and rehabilitation are greater than 120% of the after-rehab fair market value, the grantor agency shall document the reasons for excess costs and obtain written permission of the Lexington-Fayette Urban County Government's Division of Grants and Special Programs before proceeding with the project.

The Lexington-Fayette Urban County Government's Division of Grants and Special Programs will evaluate on a case-by-case basis each project in which costs are expected to exceed 120% of the fair market value of the property to determine an acceptable level of excess costs. The LFUCG Division of Grants and Special Programs will consider such factors as location, size, and environmental factors (Examples are presence of lead-based paint and lead-based paint hazards, presence of asbestos and historic preservation requirements) in its evaluation of each property.

INELIGIBLE ACTIVITIES

- Luxury improvements or improvements that exceed the neighborhood standard Reconstruction of a unit that was not standing at least 12 months prior to the commitment of HOME funds
- Land acquisition or demolition that does not result in a unit of affordable housing

ELIGIBLE PROPERTIES

The property must be located in Fayette County. Effective May 2, 2016, the value of an existing home may not exceed \$149,000. The value of a new home may not exceed \$228,000. All properties must be appraised by a state licensed or certified appraiser in the Commonwealth of Kentucky prior to purchase.

PROPERTY STANDARDS

New construction of single family units (units that were constructed during the past 12 months) shall comply with the building codes adopted by the LFUCG Division of Building Inspection. Effective January 1, 2014, the 2013 KRC (2012 IRC with 2013 Kentucky Amendments) applies to construction of single family residential buildings.

An existing housing unit (twelve months or older) must meet the Section 8 Housing

Quality Standards and the local property maintenance code. In addition, a home inspection is required for all existing homes, by a state licensed inspector. If the property requires rehabilitation LFUCG Building codes apply as well as rehabilitation standards adopted by the LFUCG Division of Grants and Special Programs.

The property type must be a single family property (one unit detached) and deeded as such. Condominiums and duplexes will not be considered.

FORM OF OWNERSHIP

For the purposes of the HOME program, homeownership means ownership in fee simple title.

PERIOD OF AFFORDABILITY

The HOME rule at §92.254(a)(3) requires that all HOME-assisted homebuyer housing be acquired by an eligible low-income family, and the housing must be the principal residence of the family throughout the period of affordability.

The following table outlines the required minimum affordability periods.

If the total HOME investment or direct subsidy in the unit is:	The period of affordability is:
Under \$15,000	5 years
Between \$15,000 and \$40,000	10 years
Over \$40,000	15 years

The mortgage documents and/or deed restrictions must include language detailing the affordability period and the recapture provisions.

AFFORDABILITY CRITERIA

All applicable ratios noted below are based on the Income of the qualifying applicant for a 30 year conventional mortgage. If the qualifying applicant is married, the income of both spouses will be included in determining the ratios even if only one applicant is the qualifying applicant. The monthly expenditure for Principal, Interest, Taxes, and Insurance (PITI) shall not be less than the percentage of gross household income indicated in the table below and shall not be more than 33% of the gross income at the time of loan approval. All applicants should only be provided gap financing based on the maximum amount of mortgage they can repay.

If the homebuyer receives a Housing Assistance Payment (HAP) from HUD's Section 8 Housing Program, the minimum percentages are not applicable for PITI.

Family Size	Minimum PITI %
1	20%
2	19%
3	18%
4	17%
5	16%
6	15%
7	14%
8	13%

The first-time homebuyer may not commit more than 41% of their gross income for total long-term debt. Long-term debt is defined as debt exceeding repayment for more than 6 months, or debt with an outstanding balance of more than \$3,000. The homebuyer will be required to commit to the financing of the purchase of the home, all cash reserves, to include checking and savings accounts, cash on hand, and certificates of deposit, which is in excess of six months of PITI unless pre-approved by the Division of Grants and Special Programs. There is no requirement that first-time homebuyers remain low income after they purchase the property. Increases or decreases in gross income or changes in PITI do not affect the eligibility of a family outside of the six-month period noted in the section on homebuyer eligibility. If homeowner association fees are required, then these will be considered as housing costs and counted along with PITI.

All variances in calculating the required percentages noted above must have prior written approval from the Division of Grants and Special Programs.

Borrower Criteria and Credit Worthiness

Of all criteria used to evaluate the credit worthiness and capacity of a low- and moderate-income borrower, the individual borrower's credit must be the driving determinant factor. Each household will be evaluated on a case-by-case basis in order to determine credit-worthiness.

Income must have a history, be verifiable in the present and be able to be relied upon in the future. Income history must cover at least cover a twelve-month period. It must be verifiable in writing through traditional sources and/or tax returns. Tax returns are only acceptable verification for self-employed persons.

Definition of Household Size and Members: The Household is comprised of ALL individuals who will be occupying the home over the next or upcoming twelve months. The following individuals are not counted as part of the household: foster children, unborn children, children who live with the applicant (parent) less than 50% of the time,

children being pursued for legal custody or adoption who are not yet living with the household at the time of application, and non-family care-takers. A child who resides with the household at least 50 percent of the time and receives over 50% of the care from the applicant, can be counted as a household member.

FORMS OF SUBSIDY

- A. *Principal Reduction.* In order to make the monthly carrying cost of PITI affordable to the homebuyer, the Urban County Government will allow HOME funds to be used by the grantor agencies to subsidize units by providing "gap" financing or principal reduction to make up the difference between the market value of the property and a sales price that renders the monthly PITI affordable. A **second** mortgage shall be placed upon the property by the grantor agency or the Lexington-Fayette Urban County Government. The second mortgage shall provide for the **RECAPTURE** of the HOME subsidy in the event that the homebuyer sells the property, is foreclosed upon by another mortgagee, or ceases to occupy the property as the principal residence; or for the **RESALE** of the property to a buyer who qualifies as a low-income household if the housing does not continue to be the principal residence of the original buyer.
- B. *Amount of Subsidy.* For eligible first time home buyers below 80% of median income, the maximum home purchase subsidy may be \$20,000 for 1 person households, \$25,000 for households of 2 and \$30,000 for households of 3 or more if needed. The HOME subsidy may be used to fund acquisition costs up to 106% of fair market value to include eligible closing costs. The minimum HOME subsidy cannot be less than \$1,000.
- C. *Development Subsidy.* In the event the total development costs exceed the appraised value, the house may not sell for more than the appraised value. The difference between the total development costs and the appraised value is development subsidy. LFUCG permits eligible grantor agencies to use HOME funds as development subsidy with a minimum of \$1,000 provided as a direct subsidy to the homebuyer. Eligible grantor agencies will be required to submit documentation to LFUCG to support the necessity of a development subsidy. This may include but is not limited to an appraisal and a detailed final cost breakdown.

TERMS

The buyer will be required to invest at least \$500 in cash at the time of closing. The remaining funds needed for closing costs, downpayment, or principal reduction will be provided in the following forms:

- 1) 2% repayable loan for homebuyers between 71% and 80% of median income with a term of 20 years.
- 2) 1% repayable loan for homebuyers between 61% and 70% of median income with a term of 20 years.
- 3) A non-repayable loan for homebuyers at or below 60% of area median income with a term of 20 years. Beginning in year 11, 10% of the loan amount will be forgiven each year.

The monthly repayment amount for any repayable HOME loan will be included in the cap of 33% of gross income for PITI. The Urban County Government will take loan servicing responsibility for repayable loans in the form of receiving and documenting payments, unless otherwise approved in a written agreement. The requirements of private lenders and government regulations must prevail if the terms of the direct loan would violate said requirements and regulations. Any deviations from the terms stated above will require justification and prior approval from the Division of Grants and Special Programs.

Example:

For a 3-person household, the maximum amount of income to be eligible for the HOME Program is \$49,100. The family has two parents who work at jobs earning minimum wage which is currently set at \$7.25 an hour. Their total combined family income is \$30,160. Their PITI must be at least 18% of \$30,160 which is \$452.40 per month.

100% of the area median income for a family of 3 is \$61,375. At \$30,160, the family is making approximately 49% of the Area Median Income. Because the family is below 60% AMI, the family is eligible for a nonrepayable loan that is forgiven starting in year 11.

The family has found a 3-bedroom house listed at \$140,000. A typical mortgage will have a term of 30 years and an interest rate of 4.0%. The base payment is \$668.38 with an additional \$200 a month for taxes and insurance that raises the total payment to \$868.38. The family has met their minimum PITI ratio but has exceeded the maximum PITI ratio of 33%. Therefore, the family has a gap that can be filled with HOME funding. The amount of gap that will be provided will depend on several factors such as the amount of debt. In this scenario, the family has financial obligations of \$250 each month which gives them a back-end ratio of 44.5%, which is well above the maximum of 41%. This family is eligible for up to \$30,000 in HOME funding. If they are given a grant of \$25,000, they now have a base payment of \$549 plus \$200 in taxes and insurance for a total of \$749.03 which is 29.8% of their income. With other financial obligations totaling \$250, their back-end ratio is now reduced to 39.75% which puts them within the allowable financial ratios.

SUBORDINATION

The grantor agency may provide for subordination of the mortgage(s) securing the HOME subsidy only if as identified: (1) if there is no change in the government's mortgage position, total encumbrances cannot exceed 106% of the appraised value of the property; (2) if there is a change to the government's position, third position is the lowest acceptable, and total encumbrances do not exceed 90% of the appraised value (appraiser subject to approval by the LFUCG) and the total long-term debt as defined previously does not exceed 41% of the households and the reason for the subordination is capital improvements for the subject property. The government reserves the right to decline the subordination requests if the terms of the new mortgage are determined to negatively impact the homeowner's financial position.

VIOLATION OF RESTRICTION ON PRINCIPAL RESIDENCE

In the event that the homebuyer ceases to occupy the HOME-subsidized unit as his principal residence during the required period of affordability, the Mortgagee shall provide for foreclosure of the mortgage which secures the HOME subsidy.

INSURANCE REQUIREMENTS

Grantor agencies are responsible for ensuring that HOME units are properly insured during the construction/rehab process. Grantor agencies should also ensure through mortgages that the assisted property remains insured throughout the affordability period. At a minimum, the policy must be in an amount sufficient to cover the HOME investment. If HOME is subordinate to another mortgage, the policy must cover both mortgages. For all home buyer units, either the LFUCG or the grantor agency must be listed as a loss payee on the insurance policy. LFUCG shall contract with a loan servicing agency that has the capacity to purchase forced placed insurance in the event that homeowner fails to maintain coverage.

SECURITY

All properties developed under a HOME-assisted first-time homebuyer program, whether or not the first-time purchaser receiving a repayable or non-repayable loan as described above, will be considered to be HOME-assisted and therefore are subject to all HOME restrictions.

All HOME restrictions regarding the period of affordability and use of property as principal residence during the period of affordability shall be included in the loan agreement, mortgage, and mortgage note, made in favor of the grantor agency or the Lexington Fayette Urban County Government; however, if the unit only receives a Developer's subsidy, then a recorded Deed of Restriction is also required.

The Lexington Fayette Urban County Government must approve all loan agreements, mortgages, mortgage notes, and deed of restrictions (if applicable) for properties assisted under the provisions of these guidelines prior to a grantor beginning a program.

If and when possible, the LFUCG will encourage participating private lenders to include all pertinent HOME requirements in the loan and mortgage documents for the private financing.

ASSUMABILITY OF SUBSIDY

No HOME subsidy mortgage may be assumed during the period of affordability.

USE OF RECAPTURED HOME SUBSIDY

Any HOME funds recaptured by the grantor agency under the provisions of these guidelines shall be returned to the Lexington-Fayette Urban County Government within ten days of receipt, unless otherwise noted in a written agreement.

PROGRAM INCOME

All program income must be reported and returned to the LFUCG within 10 days of receipt, unless otherwise noted in a written agreement.

REPORT TO THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT

The grantor agency shall report all pending property sales, all pending foreclosures (pertaining to events during the period of affordability), and violations of restrictions on use of HOME-assisted properties as principal residences of homebuyers to the Lexington-Fayette Urban County Government within five working days of their knowledge of the action.

HOME RELOCATION REQUIREMENTS

A HOME-assisted homeownership project is subject to relocation requirements under the Uniform Relocation Act (URA). In order to avoid the costs of relocation and to avoid the displacement of persons, the Urban County Government requires that nonprofits purchase only vacant properties or properties which are owner-occupied and are being publicly marketed. An owner-occupant who sells a property is not eligible for relocation assistance under the URA as long as the seller, prior to sale is informed in writing: (1) of the fair market value of the property; and (2) that the buyer does not have the power of eminent domain and, therefore, will not acquire the property if negotiations fail to result in an amicable sales agreement. The nonprofit will be required to document all steps of the acquisition. If vacant units are purchased, the government will evaluate whether or not the seller removed tenants in order to sell a "vacant" building.

CONFLICT OF INTEREST

All grantor agencies must establish a Conflict of Interest policy that adheres to 24 CFR Part 84.84, and 2 CFR 200, as applicable. Potential conflicts of interest may arise from many situations. Some of the more common examples are:

- Requests for program assistance from employees, families of employees or board members, or families of board members of recipients or sub-recipients
- Recipients or sub-recipients contracting with or procuring materials from employees, families of employees or board members, or families of board members of recipients or sub-recipients.

All HOME grantor agencies are responsible for identifying situations in which a conflict of interest, whether real or perceived, may exist. If a conflict of interest is identified, the grantor agency must seek an exemption before proceeding with the project.

LEAD-BASED PAINT (For all pre-1978 units)

Per 24 CFR Part 35, sellers must disclose to the purchaser or lessee the presence of any known lead-based paint and/or lead-based paint hazards; provide available records and reports; provide the purchaser or lessee with a lead hazard information pamphlet; give purchasers a 10-day opportunity to conduct a risk assessment or inspection; and attach specific disclosure and warning language to the sales or leasing contract before the purchaser or lessee is obligated under a contract to purchase or lease target housing.

All grantor agencies shall ensure that these regulations are followed.

APPLICATION FOR HOMEOWNERSHIP ASSISTANCE

Each grantor agency must develop and use a standard program application form. Each household must complete the standard application form. If necessary, the grantor agency will provide assistance in preparing the form, especially to the elderly, handicapped, limited-English speaking persons and persons who are unable to read and/or write. A Uniform Residential Loan Application is not considered a program application and cannot be used as such under this program.

Each grantor agency shall comply with Title VI of the Civil Rights Act, ensuring that no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. Each grantor agency shall implement a language assistance program for persons who have limited English proficiency.

HOME INCOME LIMITS

Annual household income must be calculated based on HUD regulations at 24 CFR Part 5 and compared to the most recent HUD Income limits based on HUD estimates of median family income, with adjustments based on family size.

BENEFICIARY AGREEMENT

All prospective first-time homebuyers will receive counseling on the obligations, terms, and conditions associated with a HOME funded property. This counseling will cover how the first-time homebuyer program works and require the potential homebuyer to sign acknowledgement of program guidelines.

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Revised March 2007

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Revised April, 25, 2013

Revised February 25, 2014

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**LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT
HOME FIRST TIME HOMEBUYER ASSISTANCE**

**RESALE PROVISIONS
MAY 2016**

SALE BEFORE EXPIRATION OF THE PERIOD OF AFFORDABILITY

In the event that the HOME-subsidized property is sold during the period of affordability, the grantor agency shall provide the following option as established in the HOME rule at §92.254(a)(5)(i):

1) RESALE Provision – for Habitat for Humanity Projects

This option ensures that the HOME-assisted units remain affordable over the entire affordability period. The Resale method is used in cases where HOME funding is provided directly to a developer to reduce development costs, thereby, making the price of the home affordable to the buyer. Referred to as a “Development Subsidy,” these funds are not repaid by the developer to the PJ, but remain with the property for the length of the affordability period. *If HOME assistance is used only to develop the unit and is not used to lower the purchase price from fair market value to an affordable price, resale provisions must be used.*

LFUCG’s Agreement with Habitat for Humanity requires the organization to purchase properties in the event of a sale or foreclosure during the period of affordability and to resell to eligible buyers.

2) RESALE Provision – for Lexington Community Land Trust Projects

Under HOME resale provisions, LFUCG is required to ensure that, when a HOME-assisted homebuyer sells his or her property, either voluntarily or involuntarily, during the affordability period:

- a. The property is sold to another low-income homebuyer who will use the property as his or her principal residence;
- b. The original homebuyer receives a fair return on investment, (i.e., the homebuyer’s down payment plus capital improvements made to the house); and
- c. The property is sold at a price that is “affordable to a reasonable range of low-income buyers.”

The resale formula is designed to strike a balance between providing a fair return on investment to individual homeowners while limiting resale prices to a level that will ensure continued affordability to future income-qualified homebuyers. The goal is to develop a growing stock of permanently affordable homes as a means of building

long-term community and individual assets. Homeowners have the opportunity to earn wealth while paying forward some of the help they received when buying their home.

Using the appraisal-based method, the resale price is established as the base price (what the homeowner originally paid) plus 25% of the increase in market value at the time of the resale.

Example:

Purchase Price: \$120,000

Appraisal Price: \$140,000

When the homeowner decides to sell their current home and move on to a market rate home, the home must be appraised again. In this example, the fair market appraisal is now \$150,000—an increase of \$10,000. To determine the new resale price, we have to determine the base price plus 25% of the increase in market value.

- *The base price of \$120,000 plus 25% of the increase in market value (\$10,000 x 0.25) results in a sales price of \$122,500.*

What does that mean for the seller?

In our example, the house sells to a new low-income buyer for the affordable price of \$122,500 (see above), a sales price of \$2,500 more than what original purchaser initially paid.

If the seller made a down payment of \$5,500 and has earned \$7,800 in equity by paying down the principle of their mortgage, then the seller will receive \$15,800 at the time of resale.

\$15,800 to the seller = \$5,500 (down payment) + \$7,800 (equity) + \$2,500 (portion of increase in appreciation)

Affordability to a Range of Buyers: *LFUCG will ensure continued affordability to a range of buyers, particularly those whose total household incomes range from 50 percent to no greater than 80 percent of the area median income.*

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT
HOME FIRST TIME HOMEBUYER ASSISTANCE

RECAPTURE PROVISIONS
MAY 2016

For HOME-assisted homebuyer units under the recapture provision, the period of affordability is based upon the direct HOME subsidy provided to the homebuyer that enabled the homebuyer to purchase the unit. Any HOME program income used to provide direct assistance to the homebuyer is included when determining the period of affordability.

The mortgage documents and/or deed restrictions must include language detailing the affordability period and the recapture provisions.

SALE BEFORE EXPIRATION OF THE PERIOD OF AFFORDABILITY

In the event that the HOME-subsidized property is sold during the period of affordability, the grantor agency shall provide the following option as established in the HOME rule at §92.254(a)(5)(i):

RECAPTURE Provision

Direct HOME subsidy is the amount of HOME assistance, *including any program income* that enabled the homebuyer to buy the unit. The direct subsidy includes downpayment, closing costs, interest subsidies, or other HOME assistance provided directly to the homebuyer. In addition, direct subsidy includes any assistance that reduced the purchase price from fair market value to an affordable price.

Net proceeds are defined as the sales price minus superior loan repayment (other than HOME funds) and any closing costs. Under no circumstances can the PJ recapture more than is available from the net proceeds of the sale.

When the home is sold and the affordability period has NOT YET ended, the **full amount** of the HOME investment is subject to recapture by the LFUCG. The **full amount** is defined as the Net Proceeds and is determined as follows: Sales Price - non-HOME first mortgagee balance - Seller's closing costs= Net Proceeds. If the Net Proceeds exceed the original HOME subsidy amount the excess will be paid to the homeowner.

If the home is SOLD prior to the end of the required affordability period, the net sales proceeds from the sale, if any, will be returned to LFUCG (and/or the grantor agency) and be used for other HOME-eligible activities. Other than the actual sale of the property, if the homebuyer or homeowner breaches the terms and conditions for any other reason, e.g. no longer occupies the property as his/her/their principal residence, the full amount of the subsidy is immediately due and payable.

A HOME Written Agreement, Mortgage, and Note will be executed by the Borrower and LFUCG and/or the grantor agency that accurately reflects the recapture provisions before or at the time of sale.

Recapture provisions cannot be used when a project receives only a development subsidy and is sold at fair market value, because there is no direct HOME subsidy to recapture from the homebuyer.

Example:

A homebuyer receives \$10,000 of HOME downpayment assistance to purchase a home. The direct HOME subsidy to the homebuyer is \$10,000, which results in a five-year period of affordability. If the homebuyer sells the home after three years, the PJ would recapture, assuming that there are sufficient net proceeds, the entire \$10,000 direct HOME subsidy. The homebuyer would receive any net proceeds in excess of \$10,000.

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AFFIRMATIVE MARKETING PLAN

As a participating jurisdiction, the Lexington-Fayette Urban County Government will comply with the Affirmative Marketing Requirements of the HOME Investment Partnerships Program. The following will be the policies and procedures of the Urban County Government.

In order to ensure compliance with the provisions of 92.351 the Lexington-Fayette Urban County Government will:

- A. Include Affirmative Marketing/Equal Opportunity Requirements as part of request for proposals on all HOME-assisted projects.
- B. Include Equal Housing Logo in all published program notices and information.
- C. Require that all HOME-assisted projects use the Equal Housing Logo in all advertising.
- D. Require that HOME-assisted projects notify minority and fair housing associations, ministerial groups, housing counseling services, neighborhood organizations, and other relevant groups of the availability of rental units, of the Affirmative Marketing Requirements of the HOME Investment Partnerships Program, and to request their assistance in marketing outreach.
- E. Require that the HOME-assisted project maintain copies of material and relevant information to document affirmative marketing actions.
- F. The Lexington-Fayette Urban County Government will include a clause in the Loan and Mortgage Agreement with the project owner which will call for the Mortgage to be immediately due and payable if the project owner is found to be in violation of Fair Marketing Requirements. In addition, the Loan Agreement and Mortgage will include provisions which allow the Lexington-Fayette Urban County Government to monitor for the relevant period of affordability the Equal Opportunity/Affirmative Marketing Requirements of the program and to require that the project owner take whatever corrective action that the Lexington-Fayette Urban County Government deems appropriate.

**Lexington-Fayette Urban County Government
Standards for providing ESG Assistance**

The standards for operating rapid rehousing/homelessness prevention programs are as follows:

RAPID RE-HOUSING

ESG funds may be used to provide housing relocation and stabilization services and short- and/or medium-term rental assistance *as necessary to help a **homeless individual or family move as quickly as possible into permanent housing and achieve stability in that housing.*** This assistance, referred to as rapid re-housing assistance, may be provided to program participants who meet the criteria under paragraph (1) of the “homeless” definition in 24 CFR §576.2 **or** who meet the criteria under paragraph (4) of the “homeless” definition **and** live in an emergency shelter or other place described in paragraph (1) of the “homeless” definition. The rapid re-housing assistance must be provided in accordance with the housing relocation and stabilization services requirements in 24 CFR §576.105, the short- and medium-term rental assistance requirements in 24 CFR §576.106, as outlined below **and** in the written standards and procedures established under 24 CFR §576.400.

Successful and effective rapid re-housing program demonstrates the ability to accomplish the model’s three primary goals:

- Reduce the length of time program participants spend homeless,
- Exit households to permanent housing, and
- Limit returns to homelessness within a year of program exit. Programs that will be viewed as effective at achieving the goals referenced above will be able to demonstrate their capacity at:

Housing Identification

Housing Identification is the first core component of rapid re-housing, the goal of which is to find housing for program participants quickly. Activities under this core component include recruiting landlords with units in the communities and neighborhoods where program participants want to live and negotiating with landlords to help program participants access housing. Housing identification efforts should be designed and implemented to actively recruit and retain landlords and housing managers willing to rent to program participants who may otherwise fail to pass typical tenant screening criteria. One of the primary activities under housing identification is the recruitment of landlords as landlord recruitment and support is essential to program participants having rapid access to permanent housing from the moment they enter the program. The more partnerships with landlords the program has developed, the more opportunities program participants have to rapidly obtain permanent housing.

Coordinated Entry

Beyond ending homelessness for individual households, rapid re-housing plays a key role in ending homelessness overall. To do so effectively and efficiently, a program must coordinate with the broader homeless system. The Lexington CoC will begin Coordinated Entry in May 2016 and ESG Recipients are required to participate. Once the Lexington CoC Coordinated Entry is implemented programs agree to serve only individuals and families with ESG Assistance that are referred by Coordinated Entry.

Types of Assistance

The intent of the rent and move-in assistance component of rapid re-housing is to enable the quick resolution of the immediate housing crisis. The majority of RRH participants will be able to maintain housing with short-term rent assistance. Rent and move-in assistance should be flexible and tailored to the varying and changing needs of a household while providing the assistance necessary for households to move immediately out of homelessness and to stabilize in permanent housing. A rapid re-housing program should make efforts to maximize the number of households it is able to serve by providing households with the financial assistance in a progressive manner, providing only the assistance necessary to stabilize in permanent housing. The transition off financial assistance is coordinated with case management efforts to assist program participants to assume and sustain their housing costs.

The grant, therefore, will provide:

Medium-term rental assistance, lasting up to 12 months, based on the needs of the participant. The case manager will assess the client to determine how much financial assistance and for how long is needed to achieve housing stability. The assessment is based on the amount of housing barriers of the individual/family. Financial assistance may include:

- Deposit on a rental unit
- Rental assistance that will decrease over the months of assistance as the participant becomes more self-sufficient. The grant may pay the following percentage of rent:
 - Months 1-3 – up to 80%
 - Months 4-6 – up to 65%
 - Months 7-9 – up to 50%
 - Months 9-12 – up to 35%
- Deposit for utility service, if utilities are not included in rent up to \$300.
- Rental or utility arrears (up to 6 months of past due bills) if arrearage prevents participant from moving into rental unit up to a total of \$500.

Case Management

Initially, rapid re-housing case management is primarily focused on assisting a participant in obtaining and moving into a new housing unit. Case managers should help participants resolve or mitigate tenant screening barriers like rental and utility arrears or multiple evictions; obtain necessary identification if needed; support other move-in activities such as providing furniture; and prepare participants for successful

tenancy by reviewing lease provisions. After moving in, rapid re-housing case management should be home-based and help participants stabilize in housing. Based upon their needs and requests, it should help them identify and access supports including: family and friend networks; mainstream and community services; and employment and income. Case managers should resolve issues or conflicts that may lead to tenancy problems, such as disputes with landlords or neighbors while also helping participants develop and test skills they will use to retain housing once they are no longer in the program. Rapid re-housing assistance should end and the case should be closed when the participant is no longer going to be imminently homeless. In some instances, case management may continue after financial assistance ends if appropriate or requested by the household. For those that will require ongoing support after exiting the rapid re-housing program, case managers should provide participants with warm handoffs to mainstream and community-based services that will continue to assist them.

HOMELESSNESS PREVENTION

ESG funds may be used to provide housing relocation and stabilization services and short- and/or medium-term rental assistance necessary to prevent an individual or family from moving into an emergency shelter or another place described in paragraph (1) of the “homeless” definition in 24 CFR §576.2. This assistance, referred to as homelessness prevention, may be provided to individuals and families who meet the criteria under the “at risk of homelessness” definition **or** who meet the criteria in paragraph (2), (3), or (4) of the “homeless” definition in 24 CFR §576.2 **and** have an annual income *below 30 percent* of median family income for the area, as determine by HUD.

The costs of homelessness prevention are only eligible to the extent that the assistance is necessary to help the program participant regain stability in the program participant’s current permanent housing or move into other permanent housing and achieve stability in that housing.

ESG’s *Homeless Prevention* program will serve households who have the highest risk of becoming homeless without ESG assistance. In particular,

- families with children lacking stable housing, who meet the definition of at-risk, and
- youth between the ages of 18 and 24 who have aged out of foster care and who have no support networks

Levels of assistance are as follows:

Medium-term rental assistance, lasting up to 12 months, based on the needs of the participant. The case manager will asses the client to determine how much financial assistance and for how long is needed to achieve housing stability. The assessment is based on the amount of housing barriers of the individual/family. Financial assistance may include:

- Deposit on a rental unit

- Rental assistance that will decrease over the months of assistance as the participant becomes more self-sufficient. The grant may pay the following percentage of rent:
 - Months 1-3 – up to 80%
 - Months 4-6 – up to 65%
 - Months 7-9 – up to 50%
 - Months 9-12 – up to 35%
- Deposit for utility service, if utilities not included in rent, up to \$300.
- Rental or utility arrears (up to 6 months of past due bills) if arrearage prevents participant from moving into/maintaining rental unit up to a total of \$500.

Intensive case management, for the duration of the financial assistance, to address barriers to maintaining stable housing. The case manager will work with the participant to develop a permanent housing plan, which may include financial literacy, budgeting, personal goal setting, etc. In addition, the case manager will help the individual/family access mainstream benefits for which they may be eligible. The case manager will meet monthly with the participant.

ESG funds may only be used to help a program participant remain or move into housing that meets the International Property Maintenance Code as approved by the LFUCG. All housing occupied by program participants must also comply with the Lead-Based Paint Poisoning Prevention Act, the Residential Lead-Based Paint Hazard Reduction Act of 1992, and implementing regulations. For inspections of units for compliance, Code Enforcement Officers in the Division of Grants and Special Programs will make inspections, document code compliance, require corrections, and re-inspect. The case manager will be responsible for distributing “Protect Your Family from Lead in Your Home,” (EPA-747-K-12-001) to program participants residing in rental units build before 1978, and will be responsible for documenting compliance with distribution of this document and placing proof of compliance in each client’s file.

Rental assistance can only be provided if the rent does not exceed the Fair Market Rent established by HUD, and complies with HUD’s standard of rent reasonableness, as established under 24 CFR 982.507. HUD’s published Fair Market Rents include utilities. For purposes of calculating rent under this section, the rent shall equal the sum of the total monthly rent for the unit, any fees required for occupancy under the lease (other than late fees and pet fees) and, if the tenant pays separately for utilities, the monthly allowance for utilities (electric, gas, sewer, and water) established by the public housing authority for the area in which the housing is located.

Also eligible costs are rental application fees if they are charged by owner to all applicants, security deposits that are no greater than two months’ rent, and last month’s rent at the time the owner is paid the security deposit and the first month’s rent. Last month’s rent may not exceed one month’s rent and is included

in calculating the program participant's total rental assistance. Rental arrears of up to six months, including late fees, is also eligible if necessary for the household to achieve or maintain permanent housing. This payment in arrears is not included in calculating the program participant's total rental assistance of up to six months.

Standard utility deposits required by utility company for all customers for gas, electric, and water are eligible.

Case Manager must document the level of assistance that is needed in order for the household to achieve and maintain housing stability.

Utility arrears for electric, sewer, gas, and water for up to six months may be provided if necessary for the household to achieve or maintain permanent housing. A partial payment of a utility bill counts as one month. All payments for utilities must be itemized by month. This assistance may only be provided if the program participant or a member of the same household has an account in his or her name with a utility company. These payments in arrears are not included in calculating the program participant's total rental assistance of up to six months.

Rental assistance payments may only be made to an owner with whom the agency has entered into a rental assistance agreement. The rental assistance agreement must set forth the terms under which rental assistance will be provided. The rental assistance agreement must provide that, during the term of the agreement, the owner must give the agency a copy of any notice to the program participant to vacate the housing unit, or any complaint used under state or local law to commence an eviction action against the program participant. The agency must make timely payments to each owner in accordance with the rental assistance agreement. The rental assistance agreement must contain the same payment due date, grace period, and late payment penalty requirements as the program participant's lease. Late payment penalties are not ESG eligible expenses.

Each program participant receiving rental assistance must have a legally binding, written lease for the rental unit, unless the assistance is solely for rental arrears. The lease must be between the owner and the program participant. Where the assistance is solely for rental arrears, an oral agreement may be accepted in place of a written lease, if the agreement gives the program participant an enforceable leasehold interest under state law and the agreement and rent owed are sufficiently documented by the owner's financial records, rent ledgers, or canceled checks.

The Case Manager must meet with all program participants not less than once per month to assist participants in ensuring long-term housing stability while providing homelessness prevention or rapid rehousing assistance.

If the agency intends to terminate assistance to clients who violate program requirements, the Agency must do so by use of a formal process that recognizes the rights of the individuals affected. The formal process for terminating rental assistance must comply with 24 CFR 576.402 (b).

EMERGENCY SHELTER OPERATIONS

ESG funds may be used for costs of providing essential services to homeless families and individuals in emergency shelters, renovating buildings to be used as emergency shelter for homeless families and individuals, and operating emergency shelters. Refer to 24 CFR §576.102 for eligible costs and requirements.

Emergency Solutions Grant Funds will be used for operation of emergency shelters for single men, single women, families, unaccompanied youth, and victims of domestic violence. Emergency shelters are defined as facilities that provide overnight accommodations for homeless persons.

Shelters must establish written standards for the provision of assistance under the Emergency Solutions Grants program and apply these standards consistently for all program participants, to fully staff the facilities and provide for appropriate supervision at all times, and to provide adult individual or group counseling, advocacy and referrals, job-skills training, and job placement assistance, and a follow-up program to homeless persons.

Shelters must maintain and follow written intake procedures to ensure compliance with the homeless definition. The procedures must require documentation at intake of the evidence relied upon to establish and verify homeless status. The procedures must establish the order of priority for obtaining evidence as third-party documentation first, intake worker observations second, and certification from the person seeking assistance third. However, lack of third party documentation must not prevent an individual or family from being immediately admitted to emergency shelter, receiving street outreach services, or being immediately admitted to shelter or receiving services provided by a victim service provider. Records contained in an HMIS or comparable database used by victim service or legal service providers are acceptable evidence of third-party documentation and intake worker observations if the HMIS retains an auditable history of all entries, including the person who entered the data, the date of entry, and the change made; and if the HMIS prevents overrides or changes of the dates on which entries are made. Shelters agree to fully comply with 24 CFR 576.500 in the documentation of client eligibility for emergency shelter services. For each individual and family determined ineligible to receive Emergency Solutions Grant (ESG) assistance, the record must include documentation of the reason for that determination. The Shelter must ensure that data on all persons served and all activities assisted under ESG are entered into the applicable community-wide HMIS (homeless management information system) in accordance with standards of the U.S. Department of Housing and Urban Development.

Shelters must meet the following minimum safety, sanitation, and privacy standards:

- (1) *Structure and materials.* The shelter building must be structurally sound to protect residents from the elements and not pose any threat to health and safety of the residents.
- (2) *Access.* The shelter must be accessible in accordance with Section 504 of the Rehabilitation Act (29 U.S.C. 794) and implementing regulations at 24 CFR part 8; the Fair Housing Act (42 U.S.C. 3601 *et seq.*) and implementing regulations at 24 CFR part 100; and Title II of the Americans with Disabilities Act (42 U.S.C. 12131 *et seq.*) and 28 CFR part 35; where applicable.
- (3) *Space and security.* Except where the shelter is intended for day use only, the shelter must provide each program participant in the shelter with an acceptable place to sleep and adequate space and security for themselves and their belongings.
- (4) *Interior air quality.* Each room or space within the shelter must have a natural or mechanical means of ventilation. The interior air must be free of pollutants at a level that might threaten or harm the health of residents.
- (5) *Water supply.* The shelter's water supply must be free of contamination.
- (6) *Sanitary facilities.* Each program participant in the shelter must have access to sanitary facilities that are in proper operating condition, are private, and are adequate for personal cleanliness and the disposal of human waste.
- (7) *Thermal environment.* The shelter must have any necessary heating/cooling facilities in proper operating condition.
- (8) *Illumination and electricity.* The shelter must have adequate natural or artificial illumination to permit normal indoor activities and support health and safety. There must be sufficient electrical sources to permit the safe use of electrical appliances in the shelter.
- (9) *Food preparation.* Food preparation areas, if any, must contain suitable space and equipment to store, prepare, and serve food in a safe and sanitary manner.
- (10) *Sanitary conditions.* The shelter must be maintained in a sanitary condition.
- (11) *Fire safety.* There must be at least one working smoke detector in each occupied unit of the shelter. Where possible, smoke detectors must be located near sleeping areas. The fire alarm system must be designed for hearing-impaired residents. All public areas of the shelter must have at least one working smoke detector. There must also be a second means of exiting the building in the event of fire or other emergency.

Shelters shall administer a policy designed to ensure that facilities are free from the illegal use, possession, or distribution of drugs or alcohol by its employees and beneficiaries.

Shelters shall develop procedures that insure confidentiality of records pertaining to an individual provided family violence prevention or treatment services.

Shelters shall comply with the requirements of 24 CFR 576.402 which provides for the termination of assistance to individuals who violate program requirements. Termination of assistance must be in accordance with a formal process established by the Shelter that recognizes the rights of individuals affected. The Shelter must exercise judgment and examine all extenuating circumstances in determining when violations warrant termination so that a program participant's assistance is terminated only in the most severe cases.

The Shelter must coordinate and integrate, to the maximum extent practicable, ESG-funded activities with other programs targeted to homeless people in the area covered by the Continuum of Care or area over which the services are coordinated to provide a strategic, community-wide system to prevent and end homelessness for that area.

The Shelter shall comply with the requirements of Title VI of the Civil Rights Act of 1964 as amended; Title VIII of the Civil Rights Act of 1968, 42 U.S.C. 3601 through 3619, and all implementing regulations and executive orders; shall comply with the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101-6107); and the prohibitions against discrimination against handicapped individuals under Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794).

The Shelter shall ensure that emergency services shall be made available without regard to actual or perceived sexual orientation, gender identity or marital status. Shelter shall not inquire about the sexual orientation or gender identity of any applicant for or person receiving these services.

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