



LEXINGTON

CONSOLIDATED PLAN 2018 ONE-YEAR ACTION PLAN

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT

June 26, 2018

FOR FURTHER INFORMATION:

SUZIE LOVEDAY, GRANTS MANAGER
DIVISION OF GRANTS AND SPECIAL PROGRAMS
LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT
200 EAST MAIN STREET, 6TH FLOOR
LEXINGTON, KY 40507
sloveday@lexingtonky.gov
(859) 258-3073



Annual Action Plan
2018

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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 2018 Annual Action Plan represents the jurisdiction's goals and objectives for addressing housing and community development needs for the period July 1, 2018 through June 30, 2019. 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 288 units of rental housing, 31 of which will be HOME units, through Consolidated Plan resources and other funding sources. Since the housing authority's housing choice voucher waiting list is 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 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 and an emergency repair program. Over the one-year period, it is anticipated that 25 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, 2 households will be assisted with homeownership. 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 1,788 persons will have access to emergency shelter and other services to help them move to permanent housing. Community Development Block Grant funds will be used to provide a housing navigator who will work with approximately 40 low-income persons with mental illnesses who are ready to transition from an institutional setting to permanent housing. With ESG funds, a rapid rehousing and prevention program will assist 34 individuals. 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 \$600,000 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.

During the reporting period (July 1, 2016 through June 30, 2017), the local government used federal funding from the U.S. Department of Housing and Urban Development to address housing needs, public improvements, and social services needs of the low-income population of Lexington-Fayette County. Construction was completed on 2 new rental units for low-income persons, rehabilitation was completed on 54 rental units for low-income persons and 32 owner-occupied existing housing units were rehabilitated or energy efficiency enhanced. Ten ramps were constructed or repaired, one lift was installed, and one lift was repaired to assist low-income owner-occupied households with occupants with disabilities. Eighteen low-income first-time homebuyers were assisted in purchasing existing housing units. Three nonprofit agencies provided 14 extremely low-income households with tenant based rental assistance. Five non-profit agencies and the local government provided housing and supportive services to 2,618 homeless persons, and assisted 197 homeless persons into permanent housing during the program year. Additionally 10 persons received homeless prevention services for assistance with rent and utilities to remain in their current housing units. Two nonprofit organizations and the local government provided evening and after-school services to 255 youth in an effort to help them succeed in school and become productive adults.

LFUCG's Division of Engineering, using CDBG funds, continued public improvements in the Meadows-Northland-Arlington 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. Construction of public improvements was completed at Oak Hill Drive from Highland Park Drive to Morgan Avenue. Construction was started for public improvements at Bryan Avenue from Park View Avenue to Meadow Park and at Park View Avenue from Bryan Avenue to Oak Hill Drive.

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 2018 Annual Action Plan. The LFUCG conducted two public hearings (November 6, 2017, and March 19, 2018) in an attempt to solicit 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 emails and letters to neighborhood associations in low-income neighborhoods, churches in low-income neighborhoods, 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 advertised on the government's cable channel and on the government's internet webpage, with the public invited to e-mail ideas and suggestions. The government's Office of Public Information also distributes notices of the public hearings through social media.

Consultations were conducted between the months of March and June 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 those at-risk of homelessness. 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.

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

No comments received.

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 contracts with a loan servicing agency for servicing 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 assumed responsibility for the Continuum of Care process in May 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

Suzie Loveday, Grants Manager
Division of Grants and Special Programs
sloveday@lexingtonky.gov
859-258-3073

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

1. Introduction

In preparation of the 2018 Annual Action Plan, the Lexington-Fayette Urban County Government (LFUCG) consulted with a variety of organizations who have an interest in homelessness, housing for low-income persons, social and mental health services, and community development activities. In addition to the organizations below, staff members consulted with the LFUCG Affordable Housing Manager, the LFUCG Office 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.

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. The LFUCG provides more than \$3 million annually from its general fund in addition to federal funds to subrecipient organizations including assisted housing and public housing providers. As part of that funding process, 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, Office of Substance Abuse and Violence Intervention, and the Lexington Global Engagement Center (multi-cultural affairs). The staff of these divisions and offices have created collaborative relationships throughout the community with the mission of having all residents healthy and fully engaged.

In addition, the LFUCG operates separately an Office of Homelessness Prevention & Intervention and Office of Affordable Housing. Each of those offices is advised by a board that includes key stakeholders who inform funding and policy decisions. The LFUCG Homelessness Prevention and Intervention Board brings together homeless shelters, domestic violence providers, recovery programs, law enforcement, hospitals, landlords, housing developers, veterans services providers, and many more organizations who review community needs and develop and implement solutions, some of which are ultimately supported with federal funding to subrecipients as reflected in the Annual Action Plan. This same process applies for affordable housing. The LFUCG operates an Affordable Housing Trust Fund supported with \$2 million annually from the city's general fund. This board collaborates with the city's Division of Grants and Special Programs to build financing packages for affordable housing development that include federal, state, local and private funding. This fund's governing board brings together bankers, housing developers, social service providers, elected officials, Realtors, and citizens to set funding priorities and review progress.

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.

The LFUCG, through its Office of Homelessness Prevention & Intervention, serves as the Collaborative Applicant and lead agency for the one-county Lexington-Fayette Continuum of Care. The 13-member LFUCG Homelessness Prevention & Intervention Board serves as the local CoC Board and, along with a two-person staff, conducts all planning, prioritization and funding recommendations for the federal CoC funding in the Continuum but also for an annual allocation of \$750,000 from the city's general fund which is used to make grants for CoC priorities. The LFUCG Division of Grants and Special Programs coordinates efforts with the CoC through participation in all CoC meetings and communication about funding priorities and decisions. This ensures that the jurisdiction's federal funds are directed to best serve the CoC's plans and priorities for serving people experiencing homelessness, especially chronically homeless individuals and families, families with children, veterans, and unaccompanied youth as well as people at risk of homelessness. LFUCG allocation of ESG funds, for example, to Rapid Rehousing serves to address a critical need for Rapid Rehousing that was identified by the CoC, especially for youth. In addition, this project's participation in Coordinated Entry serves to further support the CoC in its efforts to prevent and reduce homelessness.

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 implement a community-wide coordinated entry system. Grants & Special Programs staff members meet often with the Office of Homelessness and Division of Social Services to review outcomes and spending and adjust programming as needed to reflect CoC needs and priorities.

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?	Individual meetings and participation in Continuum of Care. The Hope Center serves on the CoC Board and participates in coordinated entry. This relationship is strong and will continue as Hope Center is the primary men’s shelter in Lexington.
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?	Reviewed evictions data and housing instability information and participated in a series of Landlord-Tenant Forums to collect information on community needs and problems faced by people in need of affordable housing.
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?	Individual meetings to discuss local homeownership needs for low- to moderate-income households. Reviewed local market trends impacting pricing, sales turnaround and how that impacts lower income homebuyers. Will continue to develop and expand homeownership programming.

4	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 the CHDO program and on how federal financial assistance to first-time homebuyers could be improved.
5	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 Homeless Needs - Families with children Homelessness Strategy 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?	Through individual meetings and participation in CoC, developed a lead role for this organization to take over administration of the Coordinated Entry System in the coming year. Also developed a revised Rapid Rehousing program included in the 2018 Annual Action Plan that responds to identified needs.
6	Agency/Group/Organization	Commerce Lexington
	Agency/Group/Organization Type	Business and Civic Leaders
	What section of the Plan was addressed by Consultation?	Economic Development

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	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Ongoing consultation on economic development needs for low-income areas and areas of high unemployment including specific opportunities. LFUCG continues to support locally funded workforce development projects and a jobs incentive fund. Will continue to evaluate those projects and consider opportunities for leveraging federal funding.
7	Agency/Group/Organization	Volunteers of America
	Agency/Group/Organization Type	Housing Services - Housing Services-homeless
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Needs - Veterans
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	VOA leads a CoC sponsored Veterans Committee to review housing and employment needs specific to veterans. The Office of Homelessness is deeply involved with this group including coordinated entry for homeless veterans. The Jurisdiction is participating in a local committee to end veteran homelessness and create additional permanent housing units for veterans.
8	Agency/Group/Organization	Kentucky Interagency Council on Homelessness
	Agency/Group/Organization Type	Other government - State
	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?	LFUCG Director of Grants & Special Programs serves as the Co-Chairman of this statewide intergovernmental coordinating agency. Group meets quarterly to review housing data and evaluate programming. Also seeks opportunities to improve collaboration across state and local government in Kentucky using a statewide and regional approach.

9	Agency/Group/Organization	Arbor Youth Services, formerly MASH Services of the Bluegrass
	Agency/Group/Organization Type	Services-homeless
	What section of the Plan was addressed by Consultation?	Homelessness Needs - Unaccompanied youth Homelessness Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	This organization serves as the local lead for serving youth 18-24 who are homeless or at risk of homelessness. Coordinating an existing ESG Rapid Rehousing project for youth and identified need for rehabbed facilities in the organization's shelter for homeless youth and increased outreach services. Coordination continues at least a monthly basis.

Identify any Agency Types not consulted and provide rationale for not consulting: N/A

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 2018 Annual Action Plan. The LFUCG conducted two public hearings (November 6, 2017, and March 19, 2018) in an attempt to solicit citizen comment on the housing and community development needs of the community. A draft annual action plan was published on May 25, 2018 providing for a 30-day review and comment period through June 24, 2018. The draft plan was submitted to the Urban County Council for work session review and final approval on June 21, 2018.

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	6 persons attended first public hearing. 4 persons attended second public hearing.	No comments were received		
2	Letters and emails to LFUCG staff, 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 Appendices.	See summary	Some projects were not approved for funding due to past performance, but primarily due to limited funding.	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (if applicable)
3	Internet Outreach	Non-targeted/broad community	Public hearings and plan publication were advertised on the government's internet.	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 \$285,716 as grant match for HOME to be used for rental housing development, and grant match in the amount of \$20,000 for rapid rehousing (ESG) and \$12,664 for administration (ESG).

The Jurisdiction also is providing general fund dollars annually to the Affordable 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 \$762,350 will be used for emergency shelter operations. LFUCG sewer user funds in the amount of \$250,000 will be allocated to the replacement of sanitary sewers along with CDBG-funded public improvements.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	2,303,582	150,000	0	2,453,582	2,453,582	
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	1,314,292	150,000	0	1,464,292	1,464,292	
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	187,372	0	0	187,372	187,372	

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Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other	public - local	Acquisition Admin and Planning Housing Multifamily rental new construction Multifamily rental rehab Services Other	2,750,000	0	0	2,750,000	2,750,000	Lexington Fayette Urban County Government General Fund
Other	public - local	Admin and Planning Financial Assistance Housing Multifamily rental new construction Overnight shelter Public Services Rapid re-housing (rental assistance)	473,088	0	0	473,088	473,088	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. ESG Match is \$32,664 and HOME Match is \$285,716. Additionally, other agencies will provide the ESG match in the amount of \$154,708.

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Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other	public - local	Overnight shelter	762,350	0	0	762,350	762,350	Lexington-Fayette Urban County Government General Fund for Arbor Youth Shelter, Hope Center, Greenhouse17 and the Salvation Army.
Other	public - local	Public Improvements	250,000	0	0	250,000	250,000	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 2019 General Fund grant match in the amount of \$285,716 for the required HOME Investment Partnership Match.

The Lexington-Fayette Urban County Government will provide from its 2019 General Fund grant match in the amount of \$32,664 as partial match for the Emergency Solutions Grants Program. Other match for the Emergency Solutions Grants Program in the amount of \$154,708 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 2019.

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 \$762,350 will be expended for emergency shelters (Hope Center, Arbor Youth Services, the Salvation Army and Greenhouse17) in the community in Fiscal Year 2019.

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 publicly owned properties that are anticipated to be used to address the needs identified in the plan are community centers and park land for use as public facilities, the two buildings currently leased by AVOL, and the Hope Center.

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

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: \$752,347 HOME: \$213,100	Homeowner Housing Rehabilitated: 20 Household Housing Unit
2	Homeownership	2015	2019	Affordable Housing		Affordable Housing	HOME: \$185,000	Homeowner Housing Rehabilitated: 1 Household Housing Unit Direct Financial Assistance to Homebuyers: 2 Households Assisted
3	Development of Rental Housing	2015	2019	Affordable Housing Homeless Non-Homeless Special Needs		Affordable Housing	CDBG: \$0 HOME: \$849,763 Grant Match: \$285,716 Homeless and Affordable Housing Funds: \$2,000,000	Rental units constructed: 31 Household Housing Unit
4	Tenant Based Rental Assistance	2015	2019	Affordable Housing Homeless Non-Homeless Special Needs		Affordable Housing	HOME: \$55,000	Tenant-based rental assistance / Rapid Rehousing: 5 Households Assisted

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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: \$600,000 LFUCG Sewer User Funds: \$525,000	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: 5 Household Housing Unit
7	Other Public Facilities	2015	2019	Non-Housing Community Development		Public Facilities	CDBG: \$447,479	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 5285 Persons Assisted
8	Public Services-Youth Programs	2015	2019	Non-Housing Community Development		Public Services	CDBG: \$83,756	Public service activities other than Low/Moderate Income Housing Benefit: 490 Persons Assisted
9	Public Services-- Homeless Populations	2015	2019	Homeless		Public Services	ESG: \$110,000 Grant Match: \$110,000 Homeless and Affordable Housing Funds: \$750,000 Local Emergency Shelter: \$762,350	Homeless Person Overnight Shelter: 1785 Persons Assisted

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Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
10	Rapid Rehousing	2015	2019	Homeless		Rapid Rehousing	ESG: \$34,708 Grant Match: \$34,708	Tenant-based rental assistance / Rapid Rehousing: 30 Households Assisted
11	Homelessness Prevention	2015	2019	At-risk of homelessness		Homelessness Prevention	ESG: \$5,000 Grant Match: \$5,000	Homelessness Prevention: 4 Persons Assisted
12	Fair Housing	2015	2019	Administration		Public Services	CDBG: \$50,000	
13	Parks and Community Centers	2015	2019	Non-Housing Community Development		Public Facilities	CDBG: \$200,000	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 1000 Persons Assisted
14	Public Services - Non-Homeless Special Populations	2015	2019	Non-Homeless Special Needs		Public Services	CDBG: \$50,000	Public service activities other than Low/Moderate Income Housing Benefit: 3469 Persons Assisted

Table 6 – Goals Summary

Goal Descriptions

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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 20 units will be rehabilitated during the 2018 program year and that 15 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. \$360,064 in CDBG and \$213,100 in HOME will be used for direct assistance to homebuyers. \$392,283 in CDBG will be used for the operating costs of the Homeowner Rehabilitation Program.
2	Goal Name	Homeownership
	Goal Description	HOME funds in the amount of \$50,000 will be used to a support first-time homebuyer program that is operated by REACH. Approximately 2 low-income households will become homeowners with assistance from this program. Additionally, REACH will purchase and rehabilitate 1 existing unit for sale to a low-income first time homebuyer with HOME funds in the amount of \$135,000.
3	Goal Name	Development of Rental Housing
	Goal Description	HOME funds in the amount of \$542,000 will be used to support the rehabilitation of 20 rental units (11 of which are HOME units) at Lakeside Manor Apartments located at 1205 Centre Parkway, Lexington, KY 40517 for low-income families earning 60% or less of the area median income. HOME funds in the amount of \$138,479 will be used to support the rehabilitation of 132 rental units (11 of which are HOME units) at Westminster Village located at 1510 Versailles Road, Lexington, KY 40504 for low-income families earning 60% or less of the area median income. HOME funds in the amount of \$300,000 will be used to support the rehabilitation of 134 rental units (7 of which are HOME units) at Ballard Apartments for low-income families earning 60% or less of the area median income. The Fayette County Local Development Corporation, recognized as a Community Housing Development Organization, will use \$135,000 in HOME funds for the new construction of 2 new rental units for low income households. Fayette County Local Development Corporation will also receive \$20,000 for operation of their CHDO rental program. The Jurisdiction provides general fund dollars annually to the Housing Trust Fund in the amount of \$2,000,000.

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4	Goal Name	Tenant Based Rental Assistance
	Goal Description	HOME funds in the amount of \$55,000 will be used to support operation of AVOL's Tenant-Based Rental Assistance Program. Approximately 5 very low-income households who are living with HIV/AIDS will be served.
5	Goal Name	Public Improvements
	Goal Description	With CDBG funding in the amount of \$600,000 and \$250,000 in Sewer User Funds, LFUCG will continue its public improvements in the Meadows/Northland/Arlington neighborhood in Phase 6A with the replacement of curbs, gutters and sidewalks, street reconstruction, storm sewer improvements, and sanitary sewer improvements on Edgelawn Avenue, from Blue Grass Avenue to end of street on Bolser Avenue and from Brian Avenue to Highlawn Avenue.
6	Goal Name	Emergency Repair for Homeowners
	Goal Description	CDBG funds in the amount of \$50,000 will be used to implement an emergency repair program for low income homeowners. It is anticipated that at least 5 homeowners will benefit from this program
7	Goal Name	Other Public Facilities
	Goal Description	<p>LFUCG will use CDBG funds in the amount of \$420,000 to renovate Greenhouse17, an emergency shelter that will serve approximately 275 sheltered persons annually that are homeless or at risk of becoming homeless because of fleeing or attempting to flee domestic violence in Lexington/Fayette County.</p> <p>LFUCG will use CDBG funds in the amount of \$27,479 to resurface the existing 1/4 mile track at the Russell School Community Services Center. The recreational area is accessible for area-wide community use. The focus of the proposed revitalization project will target area youth ages 8-18 and senior residents but will remain fully accessible to the public.</p>
8	Goal Name	Public Services-Youth Programs
	Goal Description	The LFUCG will use approximately 5.45% of its CDBG revenue for the support of public services in the community. Of the \$133,756 allocated for services, \$83,756 (63%) will be used to support services for low-income youth. These services will be Police Activities League (100 youth), Arbor Youth Services (100), Big Brothers Big Sisters of the Bluegrass (90) and Repairers Lexington (200).

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9	Goal Name	Public Services--Homeless Populations
	Goal Description	ESG funds in the amount of \$110,000 will be used to support emergency shelter operations at Hope Center (1600 individuals) and GreenHouse17 (185 individuals). Local General Fund dollars in the amount of \$762,350 will be used to support emergency shelter operations at GreenHouse17, Salvation Army, Arbor Youth Services, and the Hope Center. The Jurisdiction also is providing general dollars annually for emergency services in the amount of \$750,000 through the Office of Homelessness Prevention and Intervention.
10	Goal Name	Rapid Rehousing
	Goal Description	Lexington-Fayette Urban County Government Division of Adult and Tenant Services will be funded in the amount of \$20,000 in ESG funds for the purpose of operating a rapid rehousing program assisting an estimated 20 families to become permanently housed. LFUCG will provide the required match of \$20,000. Arbor Youth Services, Inc. will be funded in the amount of \$14,708 in ESG funds to support the costs of a youth advocate to provide case management services to 10 young households (aged 18-25) who are homeless to provide them rapid rehousing assistance. Arbor Youth Services, Inc., will be responsible for grant match from its own budget in the amount of \$14,708. This organization will work with LFUCG Division of Adult and Tenant Services.
11	Goal Name	Homelessness Prevention
	Goal Description	Arbor Youth Services, Inc., will be funded in the amount of \$5,000 in ESG funds to support the costs of a youth advocate to provide case management services to 4 young households (aged 18-25) who are at-risk of homelessness. Arbor Youth Services, Inc., will be responsible for grant match from its own budget in the amount of \$5,000. This organization will work with LFUCG Division of Adult and Tenant Services.
12	Goal Name	Fair Housing
	Goal Description	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.

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13	Goal Name	Parks and Community Centers
	Goal Description	LFUCG will use CDBG funds in the amount of \$200,000 for various recreational improvements to the Lexington parks in qualified census tracts. The number of beneficiaries is estimated to be 1000 individuals.
14	Goal Name	Public Services - Non-Homeless Special Populations
	Goal Description	<p>LFUCG will use approximately 5.45% of its CDBG revenue for the support of public services in the community. Of the \$133,756 allocated for services, \$40,000 in Community Development Block Grant funds will be used to provide a housing navigator who will work with approximately 40 low-income persons with mental illnesses who are ready to transition from an institutional setting to permanent housing.</p> <p>Radio Eye will be funded in the amount of \$10,000 to broadcast the readings of newspapers, magazines, and other printed material to individuals with print-impairments. An estimated 3,429 individuals will benefit from this service. The average listener age is 77, and approximately 71.9% are economically disadvantaged.</p>

Projects

AP-35 Projects – 91.220(d)

Introduction

During the 2018 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.

Projects

#	Project Name
1	Greenhouse17 Rehabilitation
2	Russell School Track Resurfacing
3	Radio Eye Public Service
4	LFUCG Parks Improvements
5	Meadows/Northland/Arlington
6	Single Family Housing Rehabilitation Program
7	Housing Rehabilitation Operations
8	Fair Housing Education and Outreach
9	Housing Rehabilitation, Emergency Repair
10	Youth Services
11	New Beginnings Housing Navigator
12	AIDS Volunteers, Inc./Tenant Based Rental Assistance
13	First-time Homebuyers Program--R.E.A.C.H.
14	Grantee Administration
15	CHDO Operations
16	CHDO--Lexington-Fayette County Local Development Corporation
17	CHDO-REACH, Inc.
18	Development of Rental Housing Units
19	ESG18 Lexington-Fayette

Table 7 - Project Information

AP-38 Project Summary

Project Summary Information

1	Project Name	GreenHouse17 Rehabilitation
	Target Area	No Target Areas have been defined for the Annual Action Plan.
	Goals Supported	Other Public Facilities
	Needs Addressed	Public Improvements and Infrastructure
	Funding	CDBG: \$420,000
	Description	LFUCG will use CDBG funds in the amount of \$420,000 to renovate GreenHouse17, an emergency shelter that will serve approximately 275 sheltered persons annually that are homeless or at risk of becoming homeless because of fleeing or attempting to flee domestic violence in Lexington/Fayette County.
	Target Date	6/30/2019
	Estimate the number and type of families that will benefit from the proposed activities	Greenhouse17 is an emergency shelter that will serve approximately 275 sheltered persons annually that are homeless or at risk of becoming homeless because of fleeing or attempting to flee domestic violence in Lexington/Fayette County.
	Location Description	4400 Briar Hill Road, Lexington, KY 40516
	Planned Activities	Funding will be used to rehabilitate the shelter in order to: 1) increase shelter capacity by 12 beds; 2.) Improve safety & confidentiality for adults and children In shelter; 3.) Improve use of shared spaces in the facility; and 3.) minimize floor print of staff workspace while maximizing efficiency. Funding will also be used for demolition, temporary relocation and permits/fees.
2	Project Name	Russell School Track Resurfacing
	Target Area	No Target Areas have been defined for the Annual Action Plan.
	Goals Supported	Other Public Facilities
	Needs Addressed	Public Facilities
	Funding	CDBG: \$27,479

	Description	LFUCG will use CDBG funds in the amount of \$27,479 to resurface the existing 1/4 mile track at the Russell School Community Services Center. The recreational area is accessible for area-wide community use. The focus of the proposed revitalization project will target area youth ages 8-18 and senior residents but will remain fully accessible to the public.
	Target Date	6/30/2019
	Estimate the number and type of families that will benefit from the proposed activities	The estimated number of beneficiaries in the community is 5,000.
	Location Description	520 Toner Street, Lexington, KY 40508
	Planned Activities	Funding will be used to resurface the existing 1/4 mile track at the Russell School Community Services Center.
3	Project Name	Radio Eye Public Service
	Target Area	No Target Areas have been defined for the Annual Action Plan.
	Goals Supported	Public Services - Non-Homeless Special Populations
	Needs Addressed	Public Services
	Funding	CDBG: \$10,000
	Description	Radio Eye will be funded in the amount of \$10,000 to broadcast the readings of newspapers, magazines, and other printed material to individuals with print-impairments.
	Target Date	6/30/2019
	Estimate the number and type of families that will benefit from the proposed activities	An estimated 3,429 individuals will benefit from this service. The average listener age is 77, and approximately 71.9% are economically disadvantaged.
	Location Description	Lexington-Fayette County
	Planned Activities	Funding will be used for salaries for the operation of the program which will result in an expansion of services to increase the number of listeners.
	Project Name	LFUCG Parks Improvements

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4	Target Area	No Target Areas have been defined for the Annual Action Plan.
	Goals Supported	Parks and Community Centers
	Needs Addressed	Public Facilities
	Funding	CDBG: \$200,000
	Description	LFUCG will use CDBG funds in the amount of \$200,000 for various recreational improvements to the Lexington parks in qualified census tracts. The number of beneficiaries is estimated to be 1,698 individuals.
	Target Date	6/30/2019
	Estimate the number and type of families that will benefit from the proposed activities	The number of beneficiaries is estimated to be 1,698 individuals located in Census Tract 10.
	Location Description	Thompson Road Park Renovation – 319 Thompson Road, 40508
	Planned Activities	Scope of work may include but is not limited to complete site redesign and renovation for replacement of existing park amenities including a basketball court, picnic shelter, sidewalks, trees and a playground, demolition of pavements and structures, subsurface drainage systems, stone base materials and compaction and asphaltic concrete (base and surface) accompanied by striping. Newly designed play area will be constructed with perimeter concrete header curbing and playground safety surfacing.
5	Project Name	Meadows/Northland/Arlington
	Target Area	No Target Areas have been defined for the Annual Action Plan.
	Goals Supported	Public Improvements
	Needs Addressed	Public Improvements and Infrastructure
	Funding	CDBG: \$600,000; Sewer User Funds: \$250,000
	Description	With CDBG funding in the amount of \$600,000 and \$250,000 in Sewer User Funds, 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 Edgelawn Avenue, from Blue Grass Avenue to end of street on Bolser Avenue and from Brian Avenue to Highlawn Avenue. Funding in the amount of is Phase 6A.

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	Target Date	6/30/2019
	Estimate the number and type of families that will benefit from the proposed activities	An estimated 2,000 persons will benefit from the project.
	Location Description	LFUCG will continue its public improvements in the Meadows/Northland/Arlington neighborhood. Phase 6A is located at Edgelawn Avenue, from Blue Grass Avenue to end of street on Bolser Avenue and from Brian Avenue to Highlawn Avenue.
	Planned Activities	Public improvements include storm water drainage improvements, installation of new sidewalks, curbs, gutters, and streets, and replacement of sanitary sewers.
6	Project Name	Single Family Housing Rehabilitation Program
	Target Area	No Target Areas have been defined for the Annual Action Plan.
	Goals Supported	Homeowner Housing Rehabilitation
	Needs Addressed	Affordable Housing
	Funding	CDBG: \$360,064 HOME: \$213,100
	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	6/30/2019
	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 20 units will be rehabilitated during the 2018 program year and that 15 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	Scattered sites in Lexington-Fayette Urban County

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	Planned Activities	20 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.
7	Project Name	Housing Rehabilitation Operations
	Target Area	No Target Areas have been defined for the Annual Action Plan.
	Goals Supported	Homeowner Housing Rehabilitation
	Needs Addressed	Affordable Housing
	Funding	CDBG: \$392,283
	Description	Funding is allocated for operation of the LFUCG single family housing rehabilitation program. Support includes 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	6/30/2019
	Estimate the number and type of families that will benefit from the proposed activities	Please note that these funds are for the administration of the rehab and emergency repair program. A minimum of 25 households will be provided with assistance in bringing their houses up to code, improving energy efficiency, and reducing lead-based paint hazards
	Location Description	200 East Main Street (location of the Division of Grants and Special Programs); Scattered sites
	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.
8	Project Name	Fair Housing Education and Outreach
	Target Area	No Target Areas have been defined for the Annual Action Plan.
	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.

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	Target Date	6/30/2019
	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, Lexington, KY
	Planned Activities	Fair housing activities to include advertisements, 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.
9	Project Name	Housing Rehabilitation, Emergency Repair
	Target Area	No Target Areas have been defined for the Annual Action Plan.
	Goals Supported	Homeowner Housing Rehabilitation Emergency Repair for Homeowners
	Needs Addressed	Affordable Housing
	Funding	CDBG: \$50,000
	Description	The 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	6/30/2019
	Estimate the number and type of families that will benefit from the proposed activities	A minimum of 5 households will be provided with emergency repair services. These will be primarily households with a person who is at least 62 years of age.
	Location Description	Scattered Sites
	Planned Activities	Emergency repairs to include electrical, plumbing, and HVAC for low-income owner-occupants.
10	Project Name	Youth Services
	Target Area	No Target Areas have been defined for the Annual Action Plan.
	Goals Supported	

	Needs Addressed	Public Services-Youth Programs
	Funding	CDBG: \$83,756
	Description	LFUCG will use \$83,756 of CDBG for support services for low-income youth. These services will be Police Activities League, Arbor Youth Services, Big Brothers Big Sisters of the Bluegrass, and Repairers Lexington.
	Target Date	6/30/2019
	Estimate the number and type of families that will benefit from the proposed activities	Police Activities League and Arbor Youth Services will serve 100 youth each. Big Brothers Big Sisters of the Bluegrass will serve 90, and Repairers Lexington will serve 200.
	Location Description	Police Activities League: 1625 Russell Cave Rd, 40511 Arbor Youth Services: 540 W. Third St., 40506 Big Brothers Big Sisters of the Bluegrass: 436 Georgetown Street, 40508 Repairers Lexington: 530 N. Martin Luther King Blvd, 40508
	Planned Activities	Funding will be used for operating programs that provide support services to low-income youth.
11	Project Name	New Beginnings Housing Navigator
	Target Area	No Target Areas have been defined for the Annual Action Plan.
	Goals Supported	Public Services - Non-Homeless Special Populations
	Needs Addressed	Public Services
	Funding	CDBG: \$40,000
	Description	\$40,000 in Community Development Block Grant funds will be used to provide a housing navigator at New Beginnings, Bluegrass, Inc. who will work with approximately 40 low-income persons with mental illnesses who are ready to transition from an institutional setting to permanent housing.
	Target Date	6/30/2019
	Estimate the number and type of families that will benefit from the proposed activities	The number of beneficiaries is estimated to be 40.

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	Location Description	Not Applicable - services will be across Lexington-Fayette Urban County
	Planned Activities	A housing navigator at New Beginnings, Bluegrass, Inc. will assist approximately 40 low-income persons with mental illnesses with transitioning from an institutional setting to permanent housing.
12	Project Name	AIDS Volunteers, Inc./Tenant Based Rental Assistance
	Target Area	No Target Areas have been defined for the Annual Action Plan.
	Goals Supported	Tenant Based Rental Assistance
	Needs Addressed	Affordable Housing
	Funding	HOME: \$55,000
	Description	Project will provide 5 very low-income persons with HIV/AIDS with Tenant Based Rental Assistance for the purpose of providing disabled persons (may be homeless) with affordable housing in standard condition.
	Target Date	6/30/2019
	Estimate the number and type of families that will benefit from the proposed activities	An estimated 5 very low-income persons with HIV/AIDS will benefit.
	Location Description	Scattered sites
	Planned Activities	Funds will be used for tenant based rental assistance, case management, and transportation. 10% will be used for administrative fees.
13	Project Name	First-time Homebuyers Program--R.E.A.C.H.
	Target Area	No Target Areas have been defined for the Annual Action Plan.
	Goals Supported	Homeownership
	Needs Addressed	Affordable Housing
	Funding	HOME: \$50,000
	Description	REACH Inc., will provide subsidies for eligible first-time homebuyers purchasing new or existing single-family units. Subsidies will be in the form of down payment assistance and/or assistance with closing costs. An agreement will be entered into with REACH Inc., for program operation.
	Target Date	6/30/2019

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	Estimate the number and type of families that will benefit from the proposed activities	It is estimated that two households will become first-time homeowners.
	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.
14	Project Name	Grantee Administration
	Target Area	No Target Areas have been defined for the Annual Action Plan.
	Goals Supported	Development of Rental Housing Homeownership Tenant Based Rental Assistance Homeowner Housing Rehabilitation Emergency Repair for Homeowners Public Improvements Parks and Community Centers Other Public Facilities Public Services - Non-Homeless Special Populations Public Services-Youth Programs
	Needs Addressed	Affordable Housing Public Facilities Public Improvements and Infrastructure Public Services
	Funding	CDBG: \$220,000 HOME: \$141,429
	Description	Project will support the administrative costs of operating the CDBG and HOME programs. These costs include administrative personnel, professional services, equipment, supplies, and other operating costs of the programs.
	Target Date	6/30/2019
	Estimate the number and type of families that will benefit from the proposed activities	No beneficiaries. This is funded as an administrative activity.

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	Location Description	200 East Main Street (Office of the LFUCG Division of Grants and Special Programs)
	Planned Activities	Funds will be used to support the administrative costs of the CDBG and HOME programs. Funds will be used to support personnel costs, training, supplies, and professional services. Additionally, REACH is provided \$10,000 out of LFUCG's HOME administration for the administration of their HOME program.
15	Project Name	CHDO Operations
	Target Area	No Target Areas have been defined for the Annual Action Plan.
	Goals Supported	Development of Rental Housing Homeownership
	Needs Addressed	Affordable Housing
	Funding	HOME: \$40,000
	Description	Operating costs of the jurisdiction's CHDOs--Lexington-Fayette County Local Development Corporation and REACH.
	Target Date	6/30/2019
	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	Fayette County Local Development Corporation: 148 Deweese St., 40507 REACH: 733 Red Mile Rd., 40507
Planned Activities	Funds will be used to support the operating costs of the two CHDOs.	
16	Project Name	CHDO--Lexington-Fayette County Local Development Corporation
	Target Area	No Target Areas have been defined for the Annual Action Plan.
	Goals Supported	Development of Rental Housing
	Needs Addressed	Affordable Housing
	Funding	HOME: \$135,000
	Description	As one of the designated CHDOs, 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.

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	Target Date	6/30/2019
	Estimate the number and type of families that will benefit from the proposed activities	The project will benefit 2 low-income households.
	Location Description	Scattered Sites
	Planned Activities	Funds will be used to support the construction costs of a total of 2 rental housing units. The units will be new construction and energy efficient.
17	Project Name	CHDO-REACH, Inc.
	Target Area	No Target Areas have been defined for the Annual Action Plan.
	Goals Supported	Homeownership
	Needs Addressed	Affordable Housing
	Funding	HOME: \$135,000
	Description	REACH, INC. as a CHDO, will develop one new housing unit.
	Target Date	6/30/2019
	Estimate the number and type of families that will benefit from the proposed activities	One low-income household will benefit from this program.
	Location Description	TBD
	Planned Activities	Funds will be used to support the redevelopment costs of 1 housing unit
18	Project Name	Development of Rental Housing Units
	Target Area	No Target Areas have been defined for the Annual Action Plan.
	Goals Supported	Development of Rental Housing
	Needs Addressed	Affordable Housing
	Funding	HOME: \$694,763 Grant Match: \$285,716 Homeless and Affordable Housing Funds: \$2,000,000

	Description	HOME funds in the amount of \$256,284 and match funds in the amount of \$285,716 will be used to support the rehabilitation of 20 units rental units (11 of which are HOME units) at Lakeside Manor Apartments located at 1205 Centre Parkway, Lexington, KY 40517 for low-income families earning 60% or less of the area median income. HOME funds in the amount of \$138,479 will be used to support the rehabilitation of 132 rental units (11 of which are HOME units) at Westminster Village located at 1510 Versailles Road, Lexington, KY 40504 for low-income families earning 60% or less of the area median income. HOME funds in the amount of \$300,000 will be used to support the rehabilitation of 134 rental units (7 of which are HOME units) at Ballard Apartments for low-income families earning 60% or less of the area median income. The Jurisdiction provides general fund dollars annually to the Housing Trust Fund in the amount of \$2,000,000.
	Target Date	6/30/2019
	Estimate the number and type of families that will benefit from the proposed activities	Lakeside Manor Apartments - 11 HOME units Westminster Village - 11 HOME units Ballard Apartments 7 HOME units
	Location Description	Lakeside Manor Apartments is located at 1205 Centre Parkway, Lexington, KY 40517 Westminster Village is located at 1510 Versailles Road, Lexington, KY 40504 Ballard Apartments is located at 635 Ballard Street, Lexington, KY 40508
	Planned Activities	HOME funds will be used to support the rehabilitation of 20 units rental units (11 of which are HOME units) at Lakeside Manor Apartments for low-income families earning 60% or less of the area median income. HOME funds will be used to support the rehabilitation of 132 rental units (11 of which are HOME units) at Westminster Village for low-income families earning 60% or less of the area median income. HOME funds will be used to support the rehabilitation of 134 rental units (7 of which are HOME units) at Ballard Apartments for low-income families earning 60% or less of the area median income.
19	Project Name	ESG18 Lexington-Fayette
	Target Area	No Target Areas have been defined for the Annual Action Plan.
	Goals Supported	Public Services--Homeless Populations Rapid Rehousing Homelessness Prevention

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Needs Addressed	Rapid Rehousing Homelessness Prevention
Funding	ESG: \$187,372 Grant Match: \$187,372 Local Emergency Shelter: \$762,350
Description	2018 ESG allocation funds have been allocated for operation of emergency shelters, prevention, and a rapid rehousing program. Administration funds have also been allocated. The Lexington-Fayette Urban County Government, by Ordinance No. 103-2014 on September 11, 2014, has designated 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 2019. 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 \$762,350 will be expended for emergency shelters (Hope Center, Arbor Youth Services, the Salvation Army and Greenhouse17) in the community in Fiscal Year 2019.
Target Date	6/30/2019
Estimate the number and type of families that will benefit from the proposed activities	20 homeless households will be assisted under the LFUCG Adult and Tenant Services rapid rehousing program. Households include individuals, couples, and families with children. Approximately 1,600 single men will be provided emergency shelter by the Hope Center. Approximately 185 persons (adults and children) who are victims of domestic violence will be provided emergency shelter services by GreenHouse17. Approximately 3 households will be provided rapid rehousing services through the Community Action Council's program. Approximately 10 households will be provided rapid rehousing services and 4 with prevention services through Arbor Youth Services, a shelter for homeless youth.
Location Description	Rapid Rehousing/Homelessness prevention are countywide activities. Hope Center is located at 360 West Loudon Ave. Greenhouse17 is located at 4400 Briar Hill Road.
Planned Activities	Operation of emergency shelters for single men and for victims of domestic violence. Operation of rapid rehousing and prevention programs for homeless households.

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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 Edgelawn 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 REACH and Lexington Habitat for Humanity. 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 8 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

Public improvements in the Meadows-Northland-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 Habitat for Humanity and REACH, Inc., provide 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—20 units

Lexington’s emergency repair program—5 units

Lakeside Manor – rehabilitation of 20 units (11 HOME units)

Westminster Village – rehabilitation of 132 units (11 HOME units)

Lexington Public Housing Authority will rehab 134 units at Ballard Towers (11 HOME units)

Fayette County Local Development Corporation will construct two new rental units

REACH (CHDO) will rehabilitate one unit of affordable housing

One Year Goals for the Number of Households to be Supported	
Homeless	0
Non-Homeless	61
Special-Needs	0
Total	61

Table 9 - 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	2
Rehab of Existing Units	58
Acquisition of Existing Units	1
Total	61

Table 10 - 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 Ballard Towers, a 134 multi-family housing facility.

Ballard Apartments is an eight story high rise located in downtown Lexington, with a total of 134 one-bedroom units serving persons sixty-two and older.

Ballard Apartments was originally constructed in 1978 by the Lexington Housing Authority, and was rehabilitated in 1999 as a Low Income Housing Tax Credit (LIHTC) project. During that 1999 rehabilitation, common spaces were renovated, common laundry rooms were created, and apartment interiors were updated with new kitchen cabinets, new floor finishes and bathroom fixtures. Now, almost 18 years later, the building has inefficient plumbing fixtures, inefficient lighting, inefficient leaking windows, and outdated décor. The old windows lack the energy efficiency of today's U-values, and due to their age, are allowing water intrusion; which is causing damage.

The Ballard Apartments rehabilitation will include new energy efficient windows, new energy efficient bath fixtures and LED lighting fixtures, as well as aesthetically pleasing interiors with new floor finishes, new kitchen cabinets, new entry and interior doors, and an updated paint scheme.

Ballard Apartments received an allocation of 9% low-income housing tax credits from Kentucky Housing Corporation (KHC), which is a critical component of the financing. The Lexington Housing Authority will contribute \$100,000. Lexington Affordable Housing Trust Fund will contribute \$300,000, and LFUCG HOME will provide \$300,000.

Ballard Apartments has an existing Section 8 project-based rental assistance contract for 132 of the 134 units. This Section 8 contract requires incomes of 50% AMI or lower; this allows for deep affordability for this elderly population.

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 Office of Homelessness Prevention and Intervention (OHPI) has worked with the Lexington CoC to establish a Coordinated Entry process to ensure that assistance for the homeless population in Lexington is prioritized for homeless individual(s) and families with the greatest need creating an effective and efficient homeless assistance delivery system for moving people from homelessness to permanent housing. In 2014, with the establishment of the OHPI office, LFUCG Staff undertook the effort of coordinating and executing the Lexington CoC's annual Point In Time (PIT) Count. The PIT Methodology has improved every year since, including working with the Lexington Street Outreach team, police, code enforcement, and parks and recreation to ensure that all known locations were incorporated and more volunteers recruited to participate in the count. The January 24, 2018, point in time count found 685 persons living on the streets, in shelters, and in transitional housing, reflecting a decrease of 55% since the count in 2014. An improved, sounder methodology has guaranteed a more accurate count since 2014 and the Lexington CoC's PIT numbers have continued to decline. LFUCG via the OHPI continues to invest in innovative and sustainable housing first models to end homelessness. In 2018, LFUCG via the OHPI will fund the first Medical Respite Program for the homeless, a second chance employment program, housing navigation program, and landlord recruitment program while maintaining all previously funded initiatives. The OHPI will be working with community stakeholders on the development of the strategic plan solely focused on ending chronic and youth homelessness by 2020 in the fall of 2018.

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. This team is an active participant with Coordinated Entry and has had much success identifying those unsheltered individuals that meet the Lexington CoC established requirements that include prioritizing those with significant health, functional impairments, and/or behavioral health challenges and/or are vulnerable to illness or death. This street outreach program was expanded in 2018 to include an additional 7 staff working on SOAR applications and housing for those unsheltered.

The Lexington CoC continues to deploy a "no wrong door" approach with Coordinated Entry and has all homeless service providers actively assessing homeless individuals and families for participation in the Coordinated Entry process. In 2018, a marketing strategy was implemented to include materials to reach all at-risk or currently homeless individuals with language and other communication barriers. This

includes United Way of the Bluegrass 2-1-1 which conducts assessments for the homeless for inclusion in the Coordinated Entry process in 194 languages, texting, and video chat.

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. The Catholic Action Center operates a severe weather Compassionate Caravan in both winter and summer months, reaching those who would most likely not present or are unable to present at a shelter or other community provider seeking assistance.

During fiscal year 2018, Lexington's Office of Homelessness Prevention and Intervention awarded a one-year grant, \$82,591.00, to Bluegrass Care Navigators for start-up and implementation of Fayette County's first Medical Respite program designed for those homeless individuals and families that are too medical frail to return to the streets or shelter. This program is also funded in partnership with Medicaid and hospital contributions as a community effort to reduce hospital readmissions and homeless deaths. While in the program, individuals are assessed for housing and other needs by the street outreach team and medical providers for an individualized case plan upon discharge. Local dollars through the OHPI also funded a new initiative for housing navigation allowing for those chronically homeless selected for a housing program to have intensive case management to locate and secure safe and stable housing rapidly. This program is also responsible for recruitment of new landlords for the participation in CoC, ESG, and locally funded housing programs. This one-year grant was funded at \$176,159.00. Two other programs will be implemented in 2018 – a local transportation program providing unlimited public transportation for those seeking housing, employment, or other resources that will lead to securing and stabilizing their housing, \$6,516.00. Also the OHPI providing a grant to cover all costs associated with obtaining a state issued I.D. card. In partnership with the Fayette County Circuit Court Clerk implementing a rarely used Kentucky Revised Statue, cost are covered for a "homeless I.D." at just \$4.00 a person. The OHPI continues to fund a Housing First program serving 20 individuals per year, all of which are referred directly from the street and have the highest levels of acuity including mental illness, substance abuse, co-occurring disorders, and/or physical problems. The program was expanded using a HUD CoC grant in 2016, renewed in 2017.

Addressing the emergency shelter and transitional housing needs of homeless persons

Hope Center, Inc., will be funded in the amount of \$70,000 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 1,600 homeless men are served each year. 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 \$40,000 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 185 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 city's 2019 budget also includes local funding in the amount of \$762,350 for emergency shelters in Lexington-Fayette Urban County. These are Arbor Youth Services in the amount of \$138,000, Community Action Council in the amount of \$92,000, GreenHouse17 in the amount of \$110,400, Hope Center in the amount of \$200,000, New Life Day Center in the amount of \$12,650 and Salvation Army in the amount of \$209,300.

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's **Division of Adult and Tenant Services** will be funded in the amount of \$20,000 in ESG funds for the purpose of operating a rapid rehousing program for individuals and families who are homeless. Approximately 20 families will be assisted. A nonfederal match of \$20,000 will come from the 2019 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.

The Mayor's city's 2019 budget includes a \$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 city's 2019 budget also includes \$3,250,000 in local funds from for the Extended Social Resource Grant Program to address 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 various 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 and dinner program for people who are homeless and/or low-income. The organization provides lunch and dinner, six every day of the weekdays per week. The organization has expanded its facility to create a dining facility that will seat 190 people and includes a full commercial kitchen. In exchange for funding in the amount of \$67,657 from the city's 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 does 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, 52 unique groups serve at least one meal in this facility each month. As a result of a recent resurgence in panhandling LFUCG launched a program to encourage citizens to donate to the LexGive program online, as opposed to donate directly to panhandlers. The LexGive program, operated by a community partner, provides panhandlers with day jobs beautifying the city and also acts as a way to communicate with the population about job training and housing opportunities, and any other identified support services identified.

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

Introduction:

The greatest identified barrier to 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 the urban service area, although this is currently under review in the city's Division of Planning. 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.

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. Beginning with fiscal year 2015, 14 units of rental housing were completed and occupied. The first five single-family ownership homes were built between fall 2015 and late spring 2016. All five house original residents.

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 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 allocated annually. This included the creation of an Affordable Housing Manager and an Affordable Housing Trust Fund 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 117 properties have been classified as abandoned.

Discussion:

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 LFUCG continues to work alongside community partners to incentivize activity in this area utilizing other means as CDBG funding is inadequate for implementation of the study's findings.

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 20 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 require 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 is housed in the Mayor's Office of the Chief Administrative Officer. 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

Annual Action Plan

2018

includes providing leadership to the Continuum of Care process and developing a coordinated entry 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, homebuilders, 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(I)(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.
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 recapture guidelines in the unique appendices.
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 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). 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 entry system. 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 coordinated entry system.

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 2018 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 November 6, 2017, 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. Emails and letters were sent 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 to inform them of the process and how information on requesting funding could be obtained: paper copies mailed from the government agency, email copies, and downloading of fill-in the blankfillable applications 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 15, 2017. 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.

In January of 2018, 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 and the Division of Social Services to discuss distribution of funds for the FY 2019 Emergency Solutions Grants Program. The distribution plan included the use of federal funds for 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 2018 program year, the Division of Grants and Special Programs will improve the coordination between the jurisdiction and the CoC Agency. Additionally, staff from the Division of Grants and Special Programs attends and participates in the CoC meetings.

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.

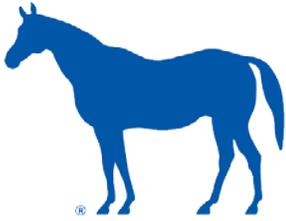
The performance standard is to move homeless individuals and families into safe and affordable housing. Beginning with the 2015 program year, follow-up will be conducted up to six months after assistance has ended to ascertain if households are still permanently housed.

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.



LEXINGTON

CONSOLIDATED PLAN 2018 UNIQUE APPENDICES

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RESOLUTION NO. 377 - 2018

A RESOLUTION AUTHORIZING AND DIRECTING THE MAYOR, ON BEHALF OF THE URBAN COUNTY GOVERNMENT, TO EXECUTE AND SUBMIT THE 2018 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 OF \$3,805,246.00 FEDERAL FUNDS, ARE FOR FY 2019 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM (\$2,303,582.00), HOME PROGRAM (\$1,314,292.00), AND EMERGENCY SOLUTIONS GRANT (ESG) PROGRAM (\$187,372.00), THE ACCEPTANCE OF WHICH OBLIGATES THE URBAN COUNTY GOVERNMENT FOR THE EXPENDITURE OF \$318,380.00 FROM VARIOUS FUNDING SOURCES AS A LOCAL CASH MATCH AND \$154,708.00 IN-KIND MATCH; AUTHORIZING THE MAYOR TO EXECUTE AGREEMENTS FOR THE APPROVED PLAN AND AUTHORIZING THE MAYOR TO TRANSFER UNENCUMBERED FUNDS WITHIN THE GRANT BUDGET.

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 2018 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 \$3,805,246.00 Federal funds, are for FY 2019 Community Development Block Grant (CDBG) Program (\$2,303,582.00), HOME Program (\$1,314,292.00), and Emergency Solutions Grant (ESG) Program (\$187,372.00), the acceptance of which obligates the Urban County Government for the expenditure of \$318,380.00 from various funding sources as a local cash match and \$154,708.00 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 2018 Consolidated Plan/Grant Application.

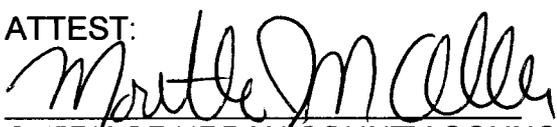
Section 3 - That subject to the provisions of Ordinance No. 22-79, the Mayor is hereby authorized, in his discretion as Chief Executive Officer of the Urban County Government, to transfer the unencumbered balance of any operating or capital account appropriation to another operating or capital account 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: June 21, 2018



MAYOR

ATTEST:


CLERK OF URBAN COUNTY COUNCIL
573-18:X:\CASES\COMDEV\18-LE0001\LEG\00616248.DOCX

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 \$237,230 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 Fair Housing Choice which was completed in September 2016. The Lexington Fair Housing Council and the Lexington-Fayette County Human Rights Commission are among the agencies who were asked to participate in the process.

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 revised 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. LFUCG is in the process of selecting a Title VI Coordinator for LFUCG who will coordinate the development of the plan. 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.

The Department of Social Services hired 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. The new staff position will enhance the government's response to needs of the Limited English Proficient Population.

In 2016 LFUCG launched a new website that includes 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.

October 20, 2017

To Whom It May Concern:

The Lexington-Fayette Urban County Government announces that a Public Hearing will be held on **Monday, November 6, 2017, at 6:00 P.M. in the Council Chambers on the second floor of the Government Center at 200 East Main Street, Lexington, KY.** The purpose of the Public Hearing is to obtain citizen comment on the housing and community development needs of Lexington-Fayette County for development of the Consolidated Plan for submission to the U.S. Department of Housing and Urban Development in 2018. The 2018 Consolidated Plan will contain a one-year action plan that addresses decent housing, a suitable living environment, and expanded economic opportunities for low- and moderate-income residents and will serve as the application for funding from the Community Development Block Grant (CDBG) program, the HOME Investment Partnerships program, and the Emergency Solutions Grants (ESG) program.

Information that will be provided at the public hearing includes a summary of the history of these programs in this community and the range of activities that may be undertaken through the CDBG, HOME, and ESG programs. Estimates of the amount of funds the government expects to receive for the period July 1, 2018 through June 30, 2019, will also be provided. Forms for requesting funding from HOME, CDBG, and ESG will be available at the public hearing.

If you have any questions, or desire additional information regarding this public hearing, please contact Suzie Loveday, Grants Manager, Grants and Special Programs, 200 East Main Street, 6th Floor, Lexington, KY 40507, 258-3070 (TDD 425-2563). As of November 6, 2017, information provided at the public hearing, including application forms, will be available on the Lexington-Fayette Urban County Government's web page at **www.lexingtonky.gov/grants**.

If you are a person with a disability that would necessitate assistance so that you might participate in the above listed meeting, please contact Grants and Special Programs at 258-3070 (TDD 425-2563) as far in advance of the meeting as possible so that arrangements may be made.

Sincerely,

Charlie Lanter
Director





March 5, 2018

Dear Citizen:

The Lexington-Fayette Urban County Government announces that a second Public Hearing will be held on Monday, March 19, 2018, at 6 PM in the Council Chambers, 2nd floor of the Government Center at 200 E. Main St., Lexington, KY. The purpose of the Public Hearing is to obtain citizens' views on the development of the Consolidated Plan one-year Action Plan that is to be submitted by LFUCG to the U.S. Department of Housing and Urban Development in May 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 LFUCG expects to receive from the CDBG, ESG, and HOME programs for federal program year 2018,
- 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
- the proposed activities to be undertaken in the one-year action plan for the period July 1, 2018 through June 30, 2019.

If you have any questions, or desire additional information regarding this public hearing, please contact Suzie Loveday, Grants Manager, Grants and Special Programs, 200 East Main Street, 6th Floor, Lexington, KY 40507, 258-3073 (TDD 425-2563). You may also submit your questions via email: sloveday@lexingtonky.gov. Information concerning the Consolidated Plan process is available on the LFUCG's web page at <https://www.lexingtonky.gov/consolidated-plan>.

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 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,

Charlie Lanter
Director



**DRAFT 2018 Consolidated Plan One-Year Action Plan
May 25, 2018**

The Lexington-Fayette Urban County Government (LFUCG) announces that as of Friday, May 25, 2018, the DRAFT 2018 Consolidated Plan one-year Action Plan will be available for review by 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 2018 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 \$2,319,582
- program income from the CDBG program in the amount of \$150,000
- federal funding in the amount of \$1,314,292 from the HOME program
- \$285,716 in local cash match for the HOME program
- \$150,000 program income from the HOME Program and
- \$187,372 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, rehabilitation and new construction of rental units, rapid rehousing and prevention, operational support for emergency and transitional housing, and planning and administration activities. The one-year period is from July 1, 2018, to June 30, 2019.

As of Friday, May 25, 2018, 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 Grants and Special Programs, Lexington-Fayette Urban County Government, 200 East Main Street, 6th floor, between the hours of 8:00 a.m. and 4:00 p.m., Monday through Friday or online at <https://www.lexingtonky.gov/consolidated-plan>. A reasonable number of free copies may be obtained from 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, Friday, May 25, 2018, through 5:00 p.m., Sunday, June 24, 2018. Please address comments to the attention of Suzie Loveday, Grants Manager, Grants and Special Programs, LFUCG, 6th Floor, 200 East Main Street, Lexington, KY 40507. You may also submit your comments via email: sloveday@lexingtonky.gov. Information concerning the Consolidated Plan process is available on the LFUCG's web page at <https://www.lexingtonky.gov/consolidated-plan>.

Sincerely,

Charlie Lanter, Director



PROCESS USED TO RECOMMEND PROJECTS FOR FUNDING
2018 ONE-YEAR ACTION PLAN
CONSOLIDATED PLAN

For the 2018 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 November 6, 2017, 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. Letters and emails were sent 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 such as paper copies mailed from the government agency, email, 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 15, 2017. 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 March 19, 2018. The draft plan was published on May 25, 2018. Final decision on funding rests with the Urban County Council. During the expiration of the 30-day public comment period that ends on June 24, 2018, the Council reviews the plan for adoption at its meetings on June 7 and June 21st.

NAME OF THE AGENCY	NAME OF THE PROJECT	CDBG FUNDS REQUESTED	OTHER FUNDS	DESCRIPTION OF THE PROJECT	COMMENTS	FINAL RECOMMENDED AMOUNT
Arbor Youth Services, Inc., CONT \$15,800-2016 \$0 - 2017	Arbor Outreach Center	\$28,756	\$7,400	Program that targets homeless, runaway, at-risk youth and young families with youth ages 18-24. Activities include outreach, education and homeless services. Anticipate serving 100 youth. Funds will be used for salaries, benefits, travel, food and supplies.		\$28,756
Big Brothers Big Sisters of the Bluegrass CONT \$20,000-2017	School Plus Mentoring Program	\$30,000	\$26,450	Youth Mentoring Program that targets 90 low-income children in grades K-4 at Booker T. Washington, Breckinridge, and William Wells Brown. Funds will be used for a Program Manager salary, fringe, travel expenses, supplies, laptop, and cell phone service.	Proposed 30 youth last year and 90 this year.	\$20,000
Lexington-Fayette Urban County Division of Police CONT 17 yrs \$25,000-2017	Police Activities League	\$85,845	\$0	Program dedicated to low-income youth including sports activities (football, basketball, cheerleading & boxing) along with educational programs (remedial reading, computer classes, tutoring). Approximately 200 youth will benefit from these programs. Funds will be used for fieldtrips, supplies, equipment, registration, dues, background checks, PAL Membership Dues, and insurance.		\$25,000
New Beginnings Bluegrass, Inc. CONT \$20,000 – 2016 \$5,000 - 2017	Housing Navigator	\$50,000	\$5,530	Project requests funding for salary and benefits for a Housing Navigator to identify low-income individuals who have serious mental illnesses that are homeless or at risk of homelessness. Project will also provide travel expenses, computer, office supplies, cell phone services, HMIS Annual License fee and training costs. Project proposes to serve 40 beneficiaries.		\$40,000
REACH, Inc. Funded for	Money Management 101	\$6,000	\$0	Financial and life skills educational workshops to low-income persons. The project will serve 180 persons.		\$0

NAME OF THE AGENCY	NAME OF THE PROJECT	CDBG FUNDS REQUESTED	OTHER FUNDS	DESCRIPTION OF THE PROJECT	COMMENTS	FINAL RECOMMENDED AMOUNT
\$16,800 in 2013						
Repairers Lexington, Inc. CONT \$10,000-2017	E7 Kids Café	\$16,000	\$0	Project requests salaries to operate the E7 Kids Café program that provides free meals to youth, educational enrichment activities, computer access, tutoring and field trips.		\$10,000
Radio Eye NEW	Providing Access to Information for People with Disabilities	\$25,000	\$229,400	Operating costs (personnel) for the provision of accessibility communication to persons with disabilities. Project proposes to serve 3,429 beneficiaries.	.	\$10,000
Totals		\$241,601.00	\$268,780.00			\$133,756.00

In 2017, we awarded \$ 70,000 for services.
In 2016, we awarded \$173,235 for services.
In 2015, we awarded \$136,420 for services.

NAME OF THE AGENCY	NAME OF THE PROJECT	CDBG FUNDS REQUESTED	OTHER FUNDS	DESCRIPTION OF THE PROJECT	COMMENTS	FINAL RECOMMENDED AMOUNT
Community Action Council NEW	Russell School Track Resurfacing Project	\$27,479	\$3,325	Resurfacing the existing ¼ mile track that divides the Russell School and Dunbar Center properties which is located in low income census tracts. Number of beneficiaries is estimated to be 5,000.	Funded for \$20,000 in 2016 for rehabilitating the existing basketball court, goals and running track at the Russell School property. Proposal states that they did not have enough funding to renovate the track.	\$27,479
Greenhouse17 NEW	Domestic Violence Shelter Rehabilitation Project	\$513,519	\$77,783	Renovation of existing domestic violence shelter to meet the needs of confidentiality, safety and accessibility for victims of domestic violence.		\$420,000
Realtor Community Housing Foundation CONT \$10,000 - 2017	RAMP(Remodeling for Accessibility Program)	\$60,000	\$39,950	Project proposes to construct ramps or install lifts for up to 15 low-income homeowners with mobility impairments.		\$0
Lexington Fayette Urban County Human Rights Commission CONT. \$50,000-2017	Fair Housing Enforcement, education and outreach	\$70,000	\$0	Purpose of project is to identify fair housing problems, assemble fair housing information, and work to solve fair housing problems. Funds will be used for salaries and benefits for fair housing staff as well as advertisement/promotion. LFUCG has a legal obligation to affirmatively further fair housing.		\$50,000
LFUCG Division of Parks and Recreation	Thompson Road Park	\$200,000	\$0	Complete site redesign and renovation or replacement of existing park amenities including a basketball court, picnic shelter, sidewalks, trees and a playground. Scope of work may include but is not limited to demolition of pavements and structures, subsurface drainage systems, stone base materials and compaction and asphaltic		\$200,000

NAME OF THE AGENCY	NAME OF THE PROJECT	CDBG FUNDS REQUESTED	OTHER FUNDS	DESCRIPTION OF THE PROJECT	COMMENTS	FINAL RECOMMENDED AMOUNT
				concrete (base and surface) accompanied by striping. Newly designed play area will be constructed with perimeter concrete header curbing and playground safety surfacing. Vendor equipment for both the playground and shelter will be selected and installed by LFUCG approved sub-contractor under the general contractor's control. All work will follow provided contract plans and specifications.		
LFUCG	Administration (overall CDBG Prog. Administration)	\$220,000	\$0	Salaries, professional services, professional development, operating supplies		\$220,000
LFUCG	Housing Rehab Administration (Program Admin.)	\$350,000	\$0	Salaries, professional services, professional development, operating supplies		\$392,283
LFUCG	Housing Rehabilitation	\$650,173	\$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		\$360,064
LFUCG	Emergency Housing Rehabilitation	\$50,000	\$0	Emergency repair program for owner occupants - 5 units per year		\$50,000
LFUCG	MNA - Public Improvements Phase 6 A	\$700,000	\$0	Construction of Public Improvements in Meadows – Northland – Arlington: Edgelawn Avenue, from Blue Grass Ave. to End of Street, Bolser Ave. from Brian Ave. to Highlawn Ave.. Activities include replacement of curbs, gutters and sidewalks, street reconstruction, storm sewer improvements and replacement of the sanitary sewer within public right of way.		\$600,000
LFUCG	Delaware Avenue Sidewalks					\$0
		\$2,641,171	\$121,058			\$2,319,826

Total Services: \$ 133,756
Housing, Public Facilities, Administration: \$2,319,826
Total: \$2,231,392

Federal Revenue: \$2,303,582
Program Income: \$ 150,000
Total Revenue: \$2,453,582

CDBG Admin (limited to 20% of total) \$2,453,582
(includes HRC) x .20
\$ 490,716

NAME OF THE AGENCY	NAME OF THE PROJECT	HOME FUNDS	OTHER FUNDS	DESCRIPTION OF THE PROJECT	COMMENTS	RECOMMENDATION FOR FUNDING
Presbyterian Housing Corporation	Lakeside Manor Apartments	\$270,000	\$953,048	Project proposes rehabilitation of 20 affordable rental units. All units have Project Based Section 8. Total of 11 HOME units.		\$542,000
Allied Real Estate Partners	Westminster Village Apartments	\$600,000	\$11,917,361	Project proposes rehabilitation of 132 affordable rental units. All 132 units have Project Based Section 8. Total of 11 HOME units.		\$138,479
Lexington-Fayette Housing Authority	Ballard Towers	\$300,000	\$0			\$300,000
AIDS Volunteers, Inc.	HOME TBRA	\$68,541	\$14,500	Operation of Tenant-Based Rental Assistance for 5 households living with HIV/AIDS—24 months.		\$55,000
FCLDC	CHDO Operation Grant	\$94,901	\$0	Operating costs of the CHDO program		\$20,000
FCLDC	TBD Duplexes (CHDO)	\$155,650	\$0	Proposes new construction of 2 single family rental units.		\$135,000
REACH, Inc.	CHDO Operation Grant	\$20,000	\$0	Operating costs of the CHDO program		\$20,000

NAME OF THE AGENCY	NAME OF THE PROJECT	HOME FUNDS	OTHER FUNDS	DESCRIPTION OF THE PROJECT	COMMENTS	RECOMMENDATION FOR FUNDING
REACH, Inc.	REACH HOME Program	\$250,000	\$0	Homeownership for 10 households	They receive \$10,000 from our admin.	\$50,000
REACH, Inc	REACH CHDO program – Fayette County	\$275,000	\$0	Purchase and rehabilitate 2 existing units for sale to low-income first time homebuyers.		\$135,000
REACH, Inc.	Admin	\$10,000	\$10,000	Administration of HOME Program		\$10,000
LFUCG	Housing Rehab	\$100,000	\$0	Single Family Housing Rehab—3 units		\$213,100
LFUCG	Administration	\$99,000	\$0	Administration		\$131,429
	TOTAL:	\$2,463,092	\$18,950,745			\$1,750,008

Total Admin is capped at 10% of grant plus program income:

Federal Funds	\$1,314,292
<u>Program Income</u>	<u>\$ 150,000</u>
Total Revenue	\$1,464,292 x 10% = \$146,429

REACH receives \$10,000 out of this total as does TBRA Admin (\$5,000), leaving \$131,429 available for LFUCG to use as admin.

Revenue: Federal Funds	\$1,314,292
Match	\$ 285,716
<u>Program Income</u>	<u>\$ 150,000</u>
Total Revenue	\$1,750,008

A minimum of 15% of the HOME Allocation must be spent on CHDO activities

Federal Funds:	\$1,314,292
	x .15 = \$ 197,144
currently budgeted =	\$ 270,000

A maximum 5% of the HOME Allocation may be spent on CHDO Operating

Match Calculation:

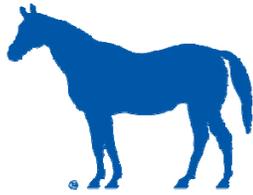
Federal Funds	\$1,314,292
x .9 =	\$1,182,863
Less CHDO Operating	-\$40,000
<u>Subtotal</u>	<u>\$1,142,863</u>
X .25 =	\$285,716

NAME OF THE AGENCY	NAME OF THE PROJECT	ESG FUNDS REQUESTED	DESCRIPTION OF THE PROJECT	COMMENTS	RECOMMENDED FOR FUNDING
Arbor Youth Services, Inc.	Arbor Rapid Rehousing	\$18,467	Case Management for individuals between the ages of 18 and 24 that are currently homeless or at risk of homelessness. Proposes to serve 4 individuals with prevention funding and 10 with rapid rehousing. LFUCG Adult and Tenant Services will fund deposits, rent, and utilities for these households.		\$19,708
Community Action Council	Emergency Solutions Grant/Project Bridge	\$148,000	Proposes to serve 18 individuals with rapid-rehousing services which includes case management. Funds will be used for security/utility deposits, utility arrears, case management, medium-term rental assistance, payment of rental arrears, and HMIS fees.		\$25,000
GreenHouse17	Emergency Shelter for Survivors of Domestic Violence	\$49,620	Emergency shelter & supportive services to 185 women and children who are homeless as a result of domestic violence. Funds will be used for monthly mortgage payment.		\$40,000
Hope Center, Inc.	Hope Center Emergency Shelter	\$120,000	Operating costs (personnel) for emergency shelter for 1,600 men.		\$70,000
LFUCG-Division of Adult & Tenant Services	Adult & Tenant Services Homeless Prevention Program	\$0	Rapid Rehousing for homeless households and Prevention for households at risk	LFUCG provides a 50% match	\$20,000
Administration	LFUCG Division of Grants and Special Programs	\$10,000	Contracting, monitoring, reviewing and approving payables.	LFUCG provides a 50% match of \$12,664	\$12,664
TOTAL REQUESTED		\$251,543			\$187,372

2018 Federal Award: \$187,372

LFUCG provided match: **\$32,664** (All activities require a 50% match.)

No more than 60% (\$112,423) may be spent for emergency shelter and street outreach activities. No more than 7.5% (\$14,053) can be spent for Administration.



LEXINGTON

FIRST TIME HOMEBUYER ASSISTANCE GUIDELINES HOME Investment Partnership Program 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 the recapture 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.

- 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.

Revision History:

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F:\WP51\HCD\HCDGEN\fthbguide803.doc

F:\WP51\HCD\HCDGEN\fthbguide804.doc

Revised March 2007

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Revised February 25, 2014

Revised May2016

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT
HOME FIRST TIME HOMEBUYER ASSISTANCE

RECAPTURE PROVISIONS

MAY 2016

In the event that the HOME-subsidized property is sold during the period of affordability, Lexington-Fayette Urban County Government (LFUCG) will follow these provisions as established in the HOME regulations at 24 Code of Federal Regulations 92.254(a)(5). The period of affordability is based upon the direct HOME subsidy provided to the homebuyer.

Direct HOME subsidy is the amount of HOME assistance 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. Only the direct subsidy amount provided to the homebuyer is subject to recapture.

If the home is SOLD prior to the end of the affordability period, the net proceeds from the sale, if any, will be returned to LFUCG. **Net proceeds** are defined as the sales price minus superior loan repayment (other than HOME funds) and any closing costs. Under no circumstances can LFUCG recapture more than is available from the net proceeds of the sale. If the net proceeds exceed the original HOME subsidy amount the excess will be paid to the homeowner.

Other than the actual sale of the property, if the homebuyer/homeowner breaches the terms and conditions for any other reason, e.g. no longer occupies the property as his/her principal residence, the full amount of the subsidy is immediately due and payable.

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, LFUCG 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.

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 March 2018

The standards for operating rapid rehousing/homelessness prevention programs are detailed below.

RAPID RE-HOUSING

ESG funds may be used to provide housing relocation and stabilization services and 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. These definitions are:

- (1) An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:
- (i) An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;
 - (ii) An individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low-income individuals); or
 - (iii) An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution;
- (4) Any individual or family who:
- (i) Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence;
 - (ii) Has no other residence; and



(iii) Lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, to obtain other permanent housing.

The rapid re-housing assistance must be provided in accordance with the housing relocation and stabilization services requirements in 24 CFR §576.105, the 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.

These federal 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 meet 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, call Mark Putty in the Division of Grants and Special Programs. Recipients of funding 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 built before 1978. Recipients shall be responsible for documenting compliance with distribution of this document and placing proof of compliance in each client's file.

Coordinated Entry

The Lexington CoC approved the VI-SPDAT as the CoC's common assessment tool in 2016. Programs/Organizations will utilize the VI-SPDAT Prescreen as the initial triage assessment for Coordinated Entry. Whenever possible, the VI-SPDAT should be completed in HMIS. When not possible, the VI-SPDAT should be completed in its paper form and then entered into HMIS for each client. Please note that you should conduct the VI-SPDAT no more than once annually for any client – unless there has been a qualifying event (such as pregnancy) that would warrant performing the assessment again. To be eligible for Rapid Rehousing Assistance, individuals must be referred to the program through Coordinated Entry.

Initial and Annual Evaluation

Recipients will conduct an initial evaluation to determine the eligibility of each individual or family for assistance and the amount and types of assistance the individual or family needs to regain stability in permanent housing. These evaluations will be conducted in accordance with the coordinated assessment developed by the community's Continuum of Care.

Recipients must contact the Continuum of Care Coordinator with the Office of Homelessness Prevention and Intervention to ensure program participation in the Lexington Continuum of Care's Coordinated Entry system. All program participants enrolled must come from the Coordinated Entry process ensuring that the screening, assessment and referral of program participants are consistent with the Lexington Continuum of Care's written Coordinated Entry standards.

Income shall not be a barrier to eligibility for assistance and there shall be no minimum or maximum income set for otherwise eligible households at time of program enrollment. However, recipients must re-evaluate each program participant's eligibility and the types and amounts of assistance the program participant needs not less than once annually. At a minimum, this re-evaluation must establish that:

1. The program participant does not have an annual income that exceeds 30 percent of area median family income; and,
2. The program participant lacks sufficient resources and support networks necessary to retain housing without ESG assistance.

If either of the above cannot be established then ESG assistance must be discontinued.

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 participants will be able to maintain housing with medium-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.

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.

Medium-Term Rental Assistance

Medium-term rental assistance will be provided lasting up to 24 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 – Maximum of \$1,105, not to exceed 1 month equivalent of Fair Market Rent
- 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 100%
 - Months 4-6 – up to 80%
 - Months 7-9 – up to 65%
 - Months 9-12 – up to 50%
 - Months 13-24 – 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.
- Up to 24 months of utility payments per program participant, per service. Any months of arrearages paid will be subtracted from this total. Eligible utilities are gas, electric, water, and sewage. No program participant may receive more than 24 months of utility assistance within any 3-year period.

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. Payments in arrears are not included in calculating the program participant's total rental assistance of up to six months.

Agreements

Rental assistance payments may only be made to an owner with whom the recipient 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 will give the recipient 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 recipient 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. The recipient is solely responsible for paying late payment penalties that it incurs with non-ESG funds.

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.

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. Recipient 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.

Ending Assistance

Rapid re-housing assistance should end and the case should be closed when the participant is no longer going to be imminently homeless or when a re-evaluation finds that household income

exceeds 30 percent of area median family income. 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.

If the recipient intends to terminate assistance to clients who violate program requirements, the recipient must do so by use of a formal process that recognizes the rights of the individuals affected. If assistance is to be terminated in this manner, please provide the Division of Grants and Special Programs with a copy of the recipient's policy. The formal process for terminating rental assistance must comply with 24 CFR 576.402 (b).

HOMELESSNESS PREVENTION

ESG funds may be used to provide housing relocation and stabilization services and 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

Case Management

Intensive case management is required 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 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.

Inspections

ESG funds may only be used to help a program participant remain in 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

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.

Utilities

Case Manager must document the level of assistance that is needed in order for the household to achieve and maintain housing stability. Standard utility deposits required by utility company for all customers for gas, electric, and water are eligible. 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.

Agreements

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.

Ending Assistance

Rapid re-housing assistance should end and the case should be closed when the participant is no longer going to be imminently homeless or when a re-evaluation finds that household income exceeds 30 percent of area median family income. 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 program, case managers should provide participants with warm handoffs to mainstream and community-based services that will continue to assist them.

If the recipient intends to terminate assistance to clients who violate program requirements, the recipient must do so by use of a formal process that recognizes the rights of the individuals affected. If assistance is to be terminated in this manner, please provide the Division of Grants and Special Programs with a copy of the recipient's policy. 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.

Written Standards

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.

In-take Procedures

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.

HMIS Requirement

All client information is to be entered correctly into the approved Homeless Management Information System or comparable database used by victim service or legal service providers. This information is 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.

Safety Standards

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.

Confidentiality

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

Ending Assistance

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.

Other Requirements

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.

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.

REQUESTS FOR PAYMENT

All requests for payments for this program will be submitted to the Division of Grants and Special Programs for processing. All requests will contain the amount of payment, participant's name and address, vendor to be paid, proof of participant income at initial enrollment or if changes have occurred, proof of rent reasonableness, a copy of the utility allowance work sheet, HMIS 640 report, copy of rental assistance agreement, documentation of monthly meeting, and completed Housing

Barriers Assessment Tool (as applicable). In determining eligibility of participants, all federal criteria on definition of “homeless” and “at-risk of homelessness” must be followed. The recipient shall maintain documentation of program eligibility.

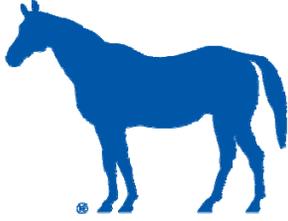
HMIS REQUIREMENT

All client information is to be entered correctly into the approved Homeless Management Information System.

REPORTING

All recipients will provide Division of Grants and Special Programs with monthly reports describing the clients served. This report shall include data concerning the number, age, sex, race, ethnicity, and family status of the adults and children served under this project along with the monthly HMIS 640 report. **This report shall be submitted no later than 30 days after the end of each month.**

In addition, an annual report shall provide an unduplicated count of the individuals receiving financial assistance under this program and the number of persons who received other types of prevention services. A form will be provided for your use in meeting these reporting requirements. An annual report is due on July 30 of each year. **Last, recipients MUST document the households assisted with ESG funding and conduct a follow up no more than 6 months after the assistance has ended to determine if households are still permanently housed. This information is required to be reported to our division.**



LEXINGTON

Local Guidelines for Operation of HOME Investment Partnerships Program

TENANT BASED RENTAL ASSISTANCE PROGRAM

July 1, 2017

Lexington-Fayette Urban County Government
Grants and Special Programs
200 East Main Street, 6th Floor
Lexington, Kentucky 40507

Phone: (859) 258-3070
Fax: (859) 258-3081



TENANT BASED RENTAL ASSISTANCE (TBRA)

Introduction

The Lexington Fayette Urban County Government's (LFUCG) HOME-funded Tenant-Based Rental Assistance (TBRA) program provides rental assistance to low-income individuals who are homeless or near homeless and/or members of a special needs population. The program is part of the local government's strategy to provide housing and supportive services to low-income members of homeless or near homeless and special needs populations.

The program is funded with HOME Investment Partnership funds awarded annually to the local government as an entitlement community by the U.S. Department of Housing and Urban Development (HUD).

All activities must comply with applicable HOME regulations, which are found in 24 CFR Part 92. Additionally, the subrecipient is responsible for adhering to Violence Against Women Reauthorization Act of 2013: Implementation in HUD Housing Programs. Additional information can be found at 24 CFR §5.2001- thru §5.2011.

The local government's HOME-funded TBRA is a tool that agencies can use to assist members of homeless or near homeless and/or special needs populations to obtain stable, safe, decent and affordable housing. Targeting members of the populations they already serve, agencies may use the funds to complement services they currently provide. With the knowledge that housing by itself is ineffective in improving disabling conditions of many homeless and very low income households, agencies may design a program that links existing services to the TBRA program. Through the required use of individual housing service plans, agencies can help link rental assistance to supportive services that help program participants cope with their disabilities and improve their economic circumstances.

The LFUCG's HOME-funded TBRA program relies on non-profit agencies selected through the Consolidated Plan application process to administer the program. Each agency designs its TBRA program to assist eligible members of the homeless or near homeless and/or special needs population they serve on a daily basis. Each must demonstrate their experience with the population they propose to help and develop a program within the guidelines provided by the local government for the TBRA program. Once approved by the local government, the agencies act as program sponsors identifying eligible program participants and helping them lease housing. The agency determines the eligibility of all applicants for assistance, assesses their housing service needs and helps them draw up individual housing service plans while continuing to provide on-going services required to maintain their housing stability and improve their economic condition. The agency administers most other aspects of the rental assistance program including helping tenants enter into leases, paying deposits and the eligible portion of monthly rent and utility costs. Additionally, the agency ensures the program participants pay their portion of the rent and utilities and comply with their housing service plan. Each agency will help program participants maintain suitable housing to improve the effects of their disabling condition and to prevent their homelessness.

PROGRAM DESIGN

Eligible Participants:

- The Project Sponsor will serve persons who are homeless or near homeless, and/or persons with special needs including persons with a disability, which may be mental, emotional, physical or developmental; victims of domestic violence, and persons with HIV/AIDS; and
- The Project Sponsor will serve persons actively participating in Project Sponsors designated program as described in the Consolidated Plan application.

Income of Participants:

- The Lexington Fayette Urban County Government and/or Program Sponsor will use the Section 8 definition of income to determine participant eligibility.
- The Project Sponsor will determine the incomes of participants' households prior to initial occupancy of the unit and prior to execution of the lease agreement.
- The Project Sponsor will only serve eligible households whose income is less than 60% of median income for Lexington Fayette County. Project Sponsors may design programs that limit the income of the households to a percentage less than 60%.
- The Project Sponsor must re-certify annually all participants' household incomes no later than 12 months after the date the lease agreement is signed. At annual certification, if a participating household's income exceeds the Section 8 Low-Income Limit, 80% of median income for Lexington-Fayette County, the HOME assistance must be terminated with proper notification.

Eligible Subsidy:

- HOME TBRA is rental subsidy that can be used to help individual households afford housing costs which include rent, utility costs (limited to eligible allowances for the unit size and service available), security deposits; and utility deposits. No payments will be made directly to eligible participants.
- Subsidy to eligible participants is limited to the amount above 30% of the household's income and the rent payment or 10% of the gross income of the household, whichever is the highest.

Payment Standard:

- The payment standard for LFUCG's HOME TBRA program will be based on the fair market rent payment amount. Thereafter, the payment standard will be reviewed annually and will be compared with fair market rents being charged throughout Lexington-Fayette County.

Property Standards:

- All housing occupied by tenants receiving HOME tenant-based rental assistance must meet the standards in 24 CFR 982.401 or the successor requirements as established by HUD.
- The Lexington Fayette Urban County Government will inspect all units for compliance with Housing Quality Standards (HQS) and 24 CFR 982.401 prior to the Program Sponsor approving a unit for eligible participants.

- The units will be inspected annually thereafter by the Program Sponsor. Program Sponsors are required to document the annual inspections in the eligible participants file for review during monitoring.
- The Lexington Fayette Urban County Government will ensure that all units meet the lead-based paint requirements as required by 24 CFR Part 35 prior to initial occupancy.

Occupancy Standards:

- The Project Sponsor will calculate eligible occupancy at 2 persons per living/sleeping area. The basic standard can be modified to take into consideration specific household composition and circumstances.

Lease/Tenant Agreements:

The Program Sponsor must ensure that all leases are in compliance with the Kentucky Uniform Landlord Tenant Act and the federal provisions at 24 CFR 92.253(a) and (b).

Lease Requirements

The term of the lease between the tenant and the landlord must be one year unless both agree otherwise.

The Program Sponsor must ensure the lease **does not** contain any of the prohibited language as identified in 24 CFR Part 92 and 24 CFR 5.2005 (b) and (c) such as:

- Agreement by the tenant to be sued or to admit guilt, or a judgment in favor of the owner in a lawsuit brought in connection with the lease;
- Agreement by the tenant that the owner may take, hold or sell the personal property of the household members without notice to the tenant and a court decision on the rights of the parties (this does not apply to personal property left by the tenant after move-out);
- Agreement by the tenant not to hold the owner or its agents legally responsible for any action or failure to act, whether intentional or negligent;
- Agreement by the tenant that the owner may institute a lawsuit without notice to the tenant;
- Agreement that the owner may evict the tenant (or other household member) without a civil court proceeding where the tenant has the right to present a defense, or before a court decision on the rights of the tenant and the owner;
- Agreement by the tenant to waive a trial by jury;
- Agreement by the tenant to waive tenant’s rights to appeal or otherwise challenge a court decision; or
- Agreement by the tenant to pay attorney fees or other legal costs, even if the tenant wins in court.
- Agreement by the tenant to participate in any specific supportive services as a term or condition of the lease. Services may not be mandatory.

Termination of Lease

The subrecipient must establish standards it will use to approve or reject a lease relating to when a landlord may elect to terminate or refuse to renew the lease of a TBRA household. These

standards must be in writing. They must also be included within the lease and/or in the contract between the subrecipient and the tenant.

The Program Sponsor must ensure that all leases are for one year. Leases may be renewed for an additional year thereafter up to a maximum of 3 years, pending the re-certification of the household's income and the availability of Project Sponsors TBRA funds.

The lease agreement must be signed by the eligible tenant and the landlord and must contain an addendum that states the Landlord will adhere to the HOME TBRA guidelines and must be signed by the Landlord, tenant, and the Project Sponsor.

Eligible Units:

- Any unit not owner-occupied or cooperative owned in Lexington-Fayette County.
- Maximum rent is limited to the Fair Market Rent (FMR) as determined by HUD annually for Lexington-Fayette County. The FMR includes utilities and if the tenant is responsible for the payment of utilities, then the Section 8 Existing Housing Allowance for Tenant Furnished Utilities and Other Services must be used to calculate maximum base rent;
- A unit may not be eligible for the program if the rent requested by the owner is not comparable to similar non-assisted units in the area even if it does not exceed the FMR.

Operating Costs:

- Operating costs for Project Sponsors is limited to 10% of the program award and will be paid from the LFUCG's HOME Administrative Budget.
- No indirect costs or shared costs shall be included in this Administrative costs.
- Costs will support salaries, benefits, marketing, contractual, and training.

Sub recipient Agreements:

- After being approved for TBRA assistance, the Project Sponsor will enter into a contract with the LFUCG for funds to serve a specific number of households over a two year period. A workshop and/or individual training sessions will be available to program sponsors to familiarize them with the Local government's policies and procedures and help them begin administration of their TBRA program.
- Project Sponsors are required to have their own TBRA Program Design that must be approved by the LFUCG.
- Contracts may be extended if funds are not expended within the contract term at the discretion of the LFUCG.

Tenants on Section 8 waiting lists:

- Households on the Section 8 waiting list when selected for HOME-funded TBRA must remain in their place on the waiting list while receiving the HOME funded TBRA.

Ineligible Costs:

HOME TBRA cannot be used for the following costs:

- Paying administrative or operating costs of applicant agencies
- Paying project based rental assistance - - agencies cannot make commitments to property owners since tenants must be free to select their own unit
- Paying application fees to apartment landlords

- Making payments to assist resident owners of cooperative housing that qualifies as home ownership housing
- Making payments to prevent displacement or provide relocation assistance to tenants as a result of activities of the HOME program
- Providing TBRA to homeless persons for overnight, temporary or emergency shelter.
- Making payments in combination with other rental assistance programs that already reduce the tenant's rent payment to 30 percent of income.

Resources:

HOME Final Rule 24 CFR Part 92

http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title24/24cfr92_main_02.tpl

HUD Exchange

<https://www.hudexchange.info/>

HOME Tenant-Based Rental Assistance Guidance

<https://www.hudexchange.info/home/topics/tenant-based-rental-assistance/>

2 CFR Part 200 Uniform Administrative Requirements

http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl

Technical Guide for Determining Income and Allowances for the HOME Program

<https://www.hudexchange.info/resource/786/technical-guide-for-determining-income-and-allowances-for-the-home-program/>

Section 8 Method of Income Calculation of Annual Income 24 CFR Part 5.609

<https://www.gpo.gov/fdsys/granule/CFR-2000-title24-vol1/CFR-2000-title24-vol1-sec5-609>

Section 8 Method of Income Calculation of Adjusted Income 24 CFR Part 5.6.11

<https://www.gpo.gov/fdsys/granule/CFR-2011-title24-vol1/CFR-2011-title24-vol1-sec5-611/content-detail.html>

HOME Income Limits

<https://www.hudexchange.info/home/>

HUD Fair Market Rents

<https://www.huduser.gov/portal/datasets/fmr.html>

Housing Quality Standards (HQS)

https://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/hc/v/hqs

Violence Against Women Act (VAWA) Requirements for HUD Programs

<https://www.hudexchange.info/resource/4718/federal-register-notice-proposed-rule-violence-against-women-act-2013-vawa-2013/>