

# *Covington, Kentucky*

## **ANNUAL ACTION PLAN**

### **2016 – 2017**



Presented to U.S. Department of Housing and Urban Development

Louisville Office of Community Planning and Development

Approved by Covington City Commission:

Approved by the U.S. Department of Housing and Urban Development:

## **Executive Summary**

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

#### **1. Introduction**

The 2016-2017 City of Covington, Kentucky Annual Action Plan is the result of a collaborative process to identify housing and community development needs. This process forms the framework for a community-wide dialogue to establish priorities and create strategies to address these needs, especially for low and moderate income households. This plan is intended to be an informative and useful tool for the residents, organizations and businesses that are committed to Covington and Northern Kentucky's continued growth. This Annual Action Plan focuses on needs, priorities and goals originally identified in the 2013-2018 5-Year Consolidated Plan.

The City of Covington, Kentucky is an entitlement jurisdiction that receives an annual allocation of funds from the U.S. Department of Housing and Urban Development (HUD) for community development and affordable housing activities. The funding received is in the form of Community Development Block Grants (CDBG) and Home Investment Partnership Program Funds (HOME). Covington, Kentucky is the lead agency of the NKY HOME Consortium. The NKY HOME Consortium includes the member cities of Ludlow, Newport, Bellevue and Dayton. These member cities are included in this plan as it relates to the use of HOME funds. This funding is a significant source of revenue for both the City of Covington and the HOME Consortium cities that is used to provide needed public services, housing, economic development, neighborhood improvements, and other critical needs of our low-income residents.

The creation of an Annual Action Plan is required to outline how these funds will be utilized. This plan will also demonstrate to HUD, Covington's plans to effectively and efficiently utilize the federal resources that are provided.

#### **2016-17 Budget**

The Annual Action Plan includes a budget which encompasses revenue from four sources. These include new formula based entitlements, program income/recaptured funds, carry-over, and 108 Loan repayments (actual amounts from HUD in late March-April; budget amounts will be adjusted based on actual award amounts). The new formula based entitlements are \$1,390,754 in Community Development Block Grant (CDBG) funding and \$240,336 in Home Investment Partnerships (HOME) funding for Covington and \$181,306 for the Northern Kentucky HOME Consortium. The estimated program income/recaptured funds is \$125,000 in CDBG and \$130,000 in HOME for Covington and \$10,000 for Northern Kentucky HOME Consortium. Program income/recaptured funds are generated through the repayment of loans made through the CDBG and HOME Programs. The carry-over which is funds that were budgeted but not expended in the prior year's budget is estimated to be \$675,000 in CDBG and \$100,000 for the NKY HOME Consortium. The budget reflects an estimated \$25,000 in payments received from economic development projects that will receive Section 108 loans. The budget also includes income that is received through our non-cash HOME match, which comes to \$52,705.

## **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.

### **Goals and Objectives**

The City of Covington and Northern Kentucky HOME Consortium FY 2013-2018 Consolidated Plan provides a framework to identify and prioritize housing and community development needs. Within this timeframe the City of Covington will focus on the following objectives:

- Expand homeownership opportunities and promote self-sufficiency for low, very low, and moderate income families by providing down payment assistance, administering a Section 8 to Homeownership Program and providing other educational materials and initiatives which assist in purchasing and maintaining a home.
- Provide financial and technical assistance to low and moderate income homeowners in need of home repairs by administering rehabilitation and repair loan programs.
- Continue to work with the Continuum of Care to address homeless concerns.
- Promote homeownership and housing opportunities for persons with special housing needs by increasing awareness and partnering with organizations who work with those households.
- Continue to support the creation and retention of the City's affordable housing stock.
- Support opportunities to enhance local public services and facilities.
- Expand and preserve the supply of safe, decent and affordable rental housing through the professional administration of the Housing Choice Voucher Program in Kenton County.
- Maintain the commitment to Historic Preservation and expand the awareness of the positive impact historic homes have in revitalizing neighborhoods.
- Encourage and strengthen partnerships with financial institutions and intermediaries, religious institutions, nonprofit and for-profit developers, nonprofit organizations, other units of local government, state and federal agencies and elected officials to facilitate neighborhood revitalization and housing development.
- Support and expand healthy small businesses.
- Maintain a safe and attractive living environment through public improvements and appropriate streetscapes.

- Support creation and retention of quality rental opportunities by funding the production of affordable rental units.

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

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

An evaluation of past performance was completed by City staff from multiple departments with input from stakeholder focus groups, key partner organizations and community members. These evaluations formed the basis for the Consolidated Annual Performance Evaluation Reports (CAPER). Feedback was received on areas of resident needs, City priorities, goals achieved, program successes and program administration. This input was used to form the projects and goals for the upcoming Program Year.

The City experienced many positive changes during the previous year. We will attempt to build on these positive changes by continuing to implement programs and activities that were successful and impactful in the previous year and by improving programs and activities that were not as impactful.

CDBG funds were utilized successfully in a number of ways to address priority needs. Funds were used to implement infrastructure improvements through the installation of handicapped ramps and the street resurfacing program. Funds were also used for park improvements, recreation programming, business retention efforts, crime prevention activities, targeted code enforcement, and housing. The City's homeowner repair programs were widely utilized and the City was able to complete many homeowner repair projects. These programs target urgent home repair needs giving priority to elderly, disabled and veteran households. Crime prevention and code enforcement efforts were examined to ensure they were achieving the desired results. The Upper Floor Residential Rehab program was under-utilized. This program funds the renovation of vacant upper-floor space in mixed-use buildings into affordable rental units. The City plans to continue this activity, but will increase its marketing efforts to attract downtown property owners to participate in this effort.

HOME funded activities designed to increase the number of low-moderate income homeowners have been highly successful. Funds budgeted for the City's homebuyer assistance programs were fully utilized creating many new homeowners throughout the Consortium cities. HOME was also used to finance CHDO projects. These projects renovated existing housing into homeownership and affordable rental units.

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

Summary from citizen participation section of plan.

The purpose of the Citizen Participation Plan is to encourage participation by all sectors of the community, particularly low and very-low income persons, in the development of the City of Covington

and the NKY HOME Consortium Consolidated Plan and Annual Action Plan. The public hearing notices were posted on the City website, sent directly to email subscribers, sent to stakeholder groups, and published in the Cincinnati Enquirer at least fourteen (14) days prior to the hearing. The City also placed yard signs in English and Spanish in high traffic areas of the City advertising the hearing. The notice included instructions for special needs populations, such as hearing, visual or mobility impaired persons to notify the City so necessary arrangements could be made for their participation.

The public hearings were held during the week, after 6:00 P.M. in the architecturally barrier free meeting rooms. For those not able to attend the public hearing, minutes of the public hearing were made available.

The City also held a stakeholder/focus group meeting to gather input from local agencies that offer housing and community services and staff attended the monthly Covington Neighborhood Collaborative meeting to gather input from organized neighborhood groups.

Provisions were made to accept written comments from those not able to attend the public hearings/group meetings and were included in the public hearing records.

Once the Annual Action Plan was completed, a summary was developed. This summary was published and a 30-day comment period was given to persons, groups, or agencies who wished to comment. The published summary also provided an address, contact person and phone number where comments could be directed. Citizens were also provided an opportunity to review the entire Proposed Annual Action Plan, with the summary and public notice attached, which were available for review at the City of Covington Department of Development, the City Clerk's office of each member Consortium city, and on the City of Covington's website. During this 30-day period, a public hearing was held before the City of Covington's Mayor and Board of Commissioners to provide a forum for persons to comment. Comments were accepted verbally at the public hearing or in writing, whichever was most convenient for the commenter.

Any complaint, view or pertinent comment that was received either verbally or in writing, was substantially responded to within a 15 day period. Comments received at the public hearing were responded to within the Plan.

Copies of the Final Annual Action Plan will be made available for review at the Housing Authorities of Covington and Newport, the Campbell County Department of Housing, City of Covington Department of Development, the City Clerk's office of each member Consortium city, and on the City of Covington's website. Any amendments to the Plan require a 30 day public comment period and must be adopted by the Covington City Commission.

**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.

Please see attached documents outlining citizen participation comments and responses (will be added when all comments have been received).

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

All comments and views were accepted and responded to appropriately.

**7. Summary**

As stated in the Introduction, the Consolidated Plan and Annual Action Plan serve as the guiding documents for the expenditure of CDBG and HOME funds received by the City of Covington. The City uses these funds to implement actions, activities, and programs that will address the city's greatest housing and community development needs, especially for low and moderate income households.

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

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

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

<b>Agency Role</b>	<b>Name</b>	<b>Department/Agency</b>
Lead Agency	COVINGTON	
CDBG Administrator		Department of Development
HOPWA Administrator		
HOME Administrator		Department of Development
HOPWA-C Administrator		

**Table 1 – Responsible Agencies**

**Narrative**

The Department of Development of the City of Covington, KY administers the CDBG and HOME Programs.

**Consolidated Plan Public Contact Information**

Primary Contact:

Jeremy Wallace

Community Development Manager

City of Covington, KY

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## **AP-10 Consultation - 91.100, 91.200(b), 91.215(l)**

### **1. Introduction**

The lead agency responsible for administering programs covered by the 2013-18 Consolidated Plan is the City of Covington's Department of Development (DOD).

The City of Covington Department of Development acts as the lead agency in the Northern Kentucky HOME Consortium. Current members of the Consortium include the City of Ludlow, the City of Newport, the City of Bellevue, and the City of Dayton. Members meet to create policy, develop housing strategy and implement activities directed under the HOME program.

**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(l)).**

To foster coordination between public and private service agencies, the City of Covington DOD staff:

- Maintain dialogue with the United Way.
- Participate in Southbank Partners. Southbank Partners represents a collaboration of Northern Kentucky private citizens, business leaders, local government administrators and elected officials serving as a catalyst for economic development. Ludlow, Covington, Newport, Bellevue, and Dayton are all participating members.
- Attend meetings of the Continuum of Care as needed.
- Partner with the Northern Kentucky Independent District Health Department on policies, systems and environmental change impacting chronic disease.
- Participate in the OKI Regional Council of Governments planning efforts.
- Participate in regional planning efforts of Vision 2015 to promote local initiatives.
- Partner with local housing counseling agencies to promote homebuyer education classes and homebuyer assistance programs.

**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.**

In preparing our Consolidated Plan and Annual Action Plan, a Focus Group was convened representing as many stakeholders as possible. Primary members of the Region III Continuum of Care attended every meeting to assist with review, analysis and development of the Consolidated Plan. These organizations are Welcome House of Northern Kentucky and Northern Kentucky Community Action Commission. These are two of the largest Social Service agencies in Northern Kentucky providing

services to our homeless population. All strategies identified in the Consolidated Plan and Annual Action Plans are a direct result of the Focus Group, Public Input, Demographic analysis, Community Needs and available resources. To enhance further coordination, stakeholders were invited to participate in focus group meetings each subsequent year to provide input regarding the Annual Action Plans for those years. Representatives of Homeless Providers or agencies providing services to homeless persons were invited, such as: Emergency Shelter of Northern Kentucky, Welcome House of Northern Kentucky, Northern Kentucky Community Action Commission, and Covington Schools.

The City of Covington attends meetings and offers assistance to the Continuum of Care as needed. The City provided environmental review technical assistance for HUD COC grant recipients.

Also, the City of Covington's Mayor, Sherry Carran signed on to HUD's Mayor's Challenge to End Veteran Homelessness in 2014.

**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**

The City of Covington does not receive ESG funds nor does it administer HMIS.

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

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

1	<b>Agency/Group/Organization</b>	BOY'S & GIRLS'S CLUB OF NORTHERN KENTUCKY
	<b>Agency/Group/Organization Type</b>	Services-Children Regional organization
	<b>What section of the Plan was addressed by Consultation?</b>	Non-Homeless Special Needs
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The City of Covington partners with the Boys and Girls Club on establishing recreation programs that serve the youth of our city.
2	<b>Agency/Group/Organization</b>	CENTER FOR GREAT NEIGHBORHOODS
	<b>Agency/Group/Organization Type</b>	Housing Services-Education Services-Employment Civic Leaders Neighborhood Organization
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Non-Homeless Special Needs Market Analysis Economic Development Anti-poverty Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Center for Great Neighborhoods (CGN) is a CHDO for the City of Covington. They attended the Focus Group meetings. CGN and the City collaborate on housing issues.

3	<b>Agency/Group/Organization</b>	HOUSING OPPORTUNITY OF NORTHERN KENTUCKY
	<b>Agency/Group/Organization Type</b>	Housing Services-Children Service-Fair Housing Regional organization
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Non-Homeless Special Needs Anti-poverty Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Housing Opportunities of Northern Kentucky (HONK) is a CHDO for the City of Covington and the Northern Kentucky HOME Consortium. They attended the City's Focus Group meetings. HONK and the City collaborate on housing issues.
4	<b>Agency/Group/Organization</b>	HOUSING AUTHORITY OF COVINGTON
	<b>Agency/Group/Organization Type</b>	Housing PHA
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Non-Homeless Special Needs Economic Development Anti-poverty Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The Housing Authority was asked to participate in the City's Focus Group meetings. The City collaborates with the Housing Authority on their HOPE VI projects.
5	<b>Agency/Group/Organization</b>	N KY COMM ACTION COMM

	<b>Agency/Group/Organization Type</b>	Housing Services-Children Services-Education Services-Employment Child Welfare Agency Regional organization
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Homelessness Strategy Non-Homeless Special Needs Market Analysis Economic Development Anti-poverty Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The City collaborates with the Community Action Commission (NKYCAC). NKYCAC is a member of the Region III Continuum of Care for homelessness issues. NKYCAC provides many services to members of our community.
6	<b>Agency/Group/Organization</b>	The Catalytic Development Funding Corp. of Northern Kentucky
	<b>Agency/Group/Organization Type</b>	Housing Regional organization Planning organization Civic Leaders Community Development Financial Institution Private Sector Banking / Financing

	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Non-Homeless Special Needs Market Analysis Economic Development Anti-poverty Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The Catalytic Development Funding Corp. of Northern Kentucky attended the Focus Group meetings. The Catalytic Development Funding Corp. of Northern Kentucky (The Catalytic Fund) is a private sector, not for profit organization providing financing assistance and related services for developers of quality residential and commercial real estate projects in Northern Kentucky's urban cities of Ludlow, Covington, Newport, Bellevue, and Dayton (Target Area Cities).
7	<b>Agency/Group/Organization</b>	Welcome House of Northern KY
	<b>Agency/Group/Organization Type</b>	Housing Services-Children Services-homeless Regional organization
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs Anti-poverty Strategy

	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Welcome House attended the City's Focus Group meetings. The City utilized the Welcome House's expertise on poverty, housing, and homeless needs.
8	<b>Agency/Group/Organization</b>	Northern Kentucky Commission on Human Rights
	<b>Agency/Group/Organization Type</b>	Service-Fair Housing Other government - State Regional organization
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Non-Homeless Special Needs Market Analysis
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The City and Northern Kentucky HOME Consortium collaborate with the Commission on Human Rights. The Commission Field Office Supervisor attended the Focus Group meetings.
9	<b>Agency/Group/Organization</b>	ENTRYWAY, INC.
	<b>Agency/Group/Organization Type</b>	Housing Service-Fair Housing Regional organization
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Non-Homeless Special Needs
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Entryway, Inc. is a CHDO for the Northern Kentucky HOME Consortium. They attend every HOME Consortium meeting and are fully engaged in housing issues.

10	<b>Agency/Group/Organization</b>	Northern Kentucky Independent District Health Department
	<b>Agency/Group/Organization Type</b>	Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-Victims of Domestic Violence Services-homeless Services-Health Services-Education Services-Employment Health Agency Publicly Funded Institution/System of Care Regional organization
	<b>What section of the Plan was addressed by Consultation?</b>	Homeless Needs - Chronically homeless Non-Homeless Special Needs Anti-poverty Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Coordinated with the NKY Health Department on Policy, environmental and system changes to identify and track the impact of chronic disease on our residents.

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

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

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Northern Kentucky Area Development District	The Ten Year Plan to End Homelessness stresses the need for affordable housing. Through the mix of public housing, Section 8, HOME and CDBG funds in our communities, this objective is addressed.
Covington Housing Strategy	Center for Great Neighborhoods	The Housing Strategy is currently being developed in conjunction with existing plans as well as the 2013-2018 Consolidated Plan. Both plans stress that housing is a highly important economic development initiative. The 2013-2018 Con Plan addresses the creation of quality, affordable housing. There are many housing needs in the community and these plans cover the proper mix for a balanced approach. The Housing Strategy is not funded by the City of Covington, but rather the Local Initiative Support Corporation.
Management Partners Report	City of Covington	HUD and the Con Plan encourage the efficient use of funds. The Management Partners Report recommended reorganizing the Community Development Department, which includes the CDBG and HOME Programs to more efficiently administer federal funds.
Covington Center City Action Plan	City of Covington	The Con Plan and the Center City Action Plan (3CAP) both establish living sustainability, which is making our community a fully viable and attractive place to live for diverse incomes, ages, and socio-cultural characteristics. The 3CAP and Con Plan both stress increasing homeownership and promoting reinvestment of existing housing stock by preserving and rehabilitating existing housing.
Vision 2015	Vision 2015	Vision 2015 is a community planning initiative that defined the future of Northern Kentucky by producing a 10-year strategic blueprint. The City of Covington and the Northern Kentucky HOME Consortium had representation on Vision 2015. Covington and the HOME Consortium helped implement the goals of Vision 2015.

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Community Reinvestment Plan	City of Covington	This is a five-year strategic reinvestment into five main categories: infrastructure, parks, facilities, fleet management and community development. This plan will support nearly \$72 million of reinvestment into Covington.

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

**Narrative**

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**AP-12 Participation - 91.401, 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 City of Covington pursues a comprehensive citizen participation process to ensure that the programs and activities proposed meet community needs. Department of Development staff engaged the public in many modes of outreach including: e-blasts, social media, news articles, attending neighborhood group meetings, hosting stakeholder/focus group meetings and holding traditional public needs hearings. These activities were designed to reach the broadest audience possible. The process allowed staff to educate the public on these federal programs and the regulations that govern them and to solicit as much public input as possible.

**Citizen Participation Outreach**

<b>Sort Order</b>	<b>Mode of Outreach</b>	<b>Target of Outreach</b>	<b>Summary of response/attendance</b>	<b>Summary of comments received</b>	<b>Summary of comments not accepted and reasons</b>	<b>URL (If applicable)</b>
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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	Internet Outreach	Non-targeted/broad community	<p>The City advertised the public needs hearing and public comment opportunities broadly through its social media channels. Staff created a brief survey asking the public to provide input on areas of community need. Results of the survey were analyzed and included in the planning process. The City's response to comments is provided as an attachment to the Action Plan.</p>	<p>Comments are included as an attachment to the Action Plan.</p>	<p>The Northern Kentucky HOME Consortium and the City of Covington responded as appropriate to comments and questions received. Some concerns were raised in the form of opinions, not questions, so it was not appropriate for the Consortium or City to respond.</p>	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
2	Public Hearing	<p>Non-English Speaking - Specify other language: Spanish</p> <p>Non-targeted/broad community</p>	13 people in attendance. The City's response to comments is provided as an attachment to the Action Plan.	Comments are included as an attachment to the Action Plan.	<p>The Northern Kentucky HOME Consortium and the City of Covington did not respond to the comments from the general discussion. As you will note, the Northern Kentucky HOME Consortium and the City of Covington responded as appropriate to comments and questions received. Some concerns were raised in the form of opinions, not questions, so it was not appropriate for the Consortium or City to respond.</p>	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
3	Newspaper articles in River City News	Non-targeted/broad community	Articles described the Annual Action Plan process; encouraged citizens to attend the public hearing held on February 8, 2016 and encouraged all people to provide input to the City for the use of CDBG and HOME funds.	Comments are included as an attachment to the Action Plan.		

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)
5	Public Meeting	Non-targeted/broad community	Public meeting to review the draft annual action plan and provide comments. Meeting was held as part of a regularly scheduled City Commission meeting. The City's response to comments is provided as an attachment to the Action Plan.	Comments are included as an attachment to the Action Plan.	The Northern Kentucky HOME Consortium and the City of Covington responded as appropriate to comments and questions received. Some concerns were raised in the form of opinions, not questions, so it was not appropriate for the Consortium or City to respond.	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
6	Covington Neighborhood Collaborative Monthly Meeting	Non-targeted/broad community	Staff attended the monthly meeting for the Covington Neighborhood Collaborative on March 3, 2016. This is a group of leaders from the various organized Covington neighborhood groups.	Comments are included as an attachment to the Action Plan.	The Northern Kentucky HOME Consortium and the City of Covington responded as appropriate to comments and questions received. Some concerns were raised in the form of opinions, not questions, so it was not appropriate for the Consortium or City to respond.	

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)
7	Newspaper Ad	<p>Non-English Speaking - Specify other language: Spanish</p> <p>Non-targeted/broad community</p>	<p>Legal Advertisement was placed in the Kentucky Enquirer advertising the public needs hearing and encouraging members of the public to provide input on the annual action plan process.</p>	<p>Comments are included as an attachment to the Action Plan.</p>	<p>The Northern Kentucky HOME Consortium and the City of Covington responded as appropriate to comments and questions received. Some concerns were raised in the form of opinions, not questions, so it was not appropriate for the Consortium or City to respond.</p>	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
8	Stakeholder/Focus Group Meeting	<p>Minorities</p> <p>Non-English Speaking - Specify other language: Spanish</p> <p>Persons with disabilities</p> <p>Non-targeted/broad community</p>	<p>Staff hosted a forum for local stakeholders to provide input on the annual action plan process. Representatives of many local agencies were invited including: public housing providers, social service agencies, educators, lenders, realtors, affordable housing developers and advocate groups for disabled, minority and Spanish speaking populations.</p>	<p>Comments are included as an attachment to the Action Plan.</p>	<p>The Northern Kentucky HOME Consortium and the City of Covington responded as appropriate to comments and questions received. Some concerns were raised in the form of opinions, not questions, so it was not appropriate for the Consortium or City to respond.</p>	

**Table 4 – Citizen Participation Outreach**

**Expected Resources**

**AP-15 Expected Resources - 91.420(b), 91.220(c)(1,2)**

**Introduction**

The Annual Action Plan includes a budget which encompasses revenue from four sources. These include new formula based entitlements, program income/recaptured funds, carry-over, and 108 Loan repayments. The new formula based entitlements for Program Year 2016-17 are \$1,390,754 in Community Development Block Grant (CDBG) funding and \$421,642 in Home Investment Partnerships (HOME) funding for Covington/Northern Kentucky HOME Consortium (which includes the River Cities of Ludlow, Newport, Bellevue and Dayton). The estimated program income/recaptured funds are \$125,000 in CDBG and \$140,000 in HOME. Program income/recaptured funds are generated through the repayment and/or recapture of loans. The City of Covington and Northern Kentucky HOME Consortium anticipate carry-over of CDBG in the amount of \$575,000 and HOME in the amount of \$100,000. The City of Covington estimates \$25,000 in Section 108 repayments, once individual projects are approved, to be included as program income.

**Anticipated Resources**

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	1,390,754	125,000	675,000	2,090,754	1,390,754	CDBG funds are used to benefit low and moderate income families or to eliminate blighted conditions.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	421,642	140,000	100,000	661,642	421,642	HOME funds are used primarily to increase homeownership opportunities and the preservation and production of affordable rental housing. A required 15% will fund Community Housing Development Organizations(CHDOs)

**Table 1 - 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 City of Covington will leverage all available public sector and private sector dollars to achieve the greatest benefit. The creation and maintenance of affordable housing requires the use of both government and private financing and the cooperation between the private and the public sector.

Private mortgage financing, other forms of down payment assistance and buyer contributions will be leveraged with HOME to create homeownership opportunities.

CDBG funds will be leveraged wherever possible via federal, state and local grant opportunities. The City is exploring leveraged financing opportunities with the Federal Home Loan Bank of Cincinnati for housing and economic development. In addition, CDBG funds will be used for the Upper Floor Residential Rehab Program which will require a 50% property owner matching contribution.

The City of Covington and Northern Kentucky HOME Consortium are required to match HOME funds 12.5¢ for every dollar of HOME funding expended annually. The City and Consortium are meeting this goal through volunteer labor provided by Community Housing Development Organizations (CHDO's), Federal Home Loan Bank grants, KHC funds, and donated homebuyer education expenses.

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

There are several City-owned vacant properties and vacant lots that could be used for housing redevelopment, infill construction or greenspace. New housing opportunities and additional greenspace are identified community needs. The City will evaluate these properties and attempt to redevelop them as appropriate. City owned vacant properties are also being marketed as part of the Covington Community Developer Initiative. This program identifies qualified private sector housing developers who are interested in redeveloping vacant housing.

**Discussion**

CDBG funds will be allocated to the following activities: Section 108 Economic Development Loan Repayment, Public Improvements, Parks and Recreation, Homeowner Repair Programs, Upper Floor Residential Redevelopment, Crime Prevention Efforts, Targeted Code Enforcement, Business Retention Efforts, and program administration costs.

HOME funds will be allocated to the following activities: Homebuyer Assistance Programs, CHDO Development projects, and program administration costs.

**Annual Goals and Objectives**

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

**Goals Summary Information**

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Upper Floor Residential Rent Rehab Program	2013	2018	Affordable Housing		All Programs	CDBG: \$60,000	Rental units rehabilitated: 3 Household Housing Unit
3	Covington Homebuyer Assistance Program	2013	2018	Affordable Housing		All Programs	HOME: \$164,750	Direct Financial Assistance to Homebuyers: 33 Households Assisted
4	NKY HOME Consortium Homebuyer Assistance Program	2013	2018	Affordable Housing		All Programs	HOME: \$124,285	Direct Financial Assistance to Homebuyers: 25 Households Assisted
6	Section 108 ED Loan pool	2013	2018	Non-Housing Community Development		All Programs	CDBG: \$25,000	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 0 Persons Assisted Jobs created/retained: 1 Jobs Businesses assisted: 1 Businesses Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
7	Streets, Playgrounds, Greenspace	2013	2018	Non-Housing Community Development		All Programs	CDBG: \$1,047,000	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 30000 Persons Assisted
8	CDBG Administration	2013	2018	Affordable Housing Public Housing Homeless Non-Homeless Special Needs Non-Housing Community Development		All Programs	CDBG: \$227,501	
10	Code Enforcement Hardship Rehab/Repair	2013	2018	Affordable Housing Non-Homeless Special Needs		All Programs	CDBG: \$50,000	Homeowner Housing Rehabilitated: 4 Household Housing Unit
11	Economic Development Technical Assistance	2013	2018	Non-Housing Community Development		All Programs	CDBG: \$7,311	Businesses assisted: 100 Businesses Assisted
12	Crime Prevention	2013	2018	Non-Housing Community Development		All Programs	CDBG: \$150,000	Public service activities other than Low/Moderate Income Housing Benefit: 6895 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
13	Recreation Programs	2013	2018	Non-Homeless Special Needs Non-Housing Community Development		All Programs	CDBG: \$50,000	Public service activities other than Low/Moderate Income Housing Benefit: 29828 Persons Assisted
14	Code Enforcement Staff	2013	2018	Affordable Housing Non-Housing Community Development		All Programs	CDBG: \$52,767	Housing Code Enforcement/Foreclosed Property Care: 100 Household Housing Unit
16	CDBG Program Staff	2013	2018	Affordable Housing Public Housing Homeless Non-Homeless Special Needs Non-Housing Community Development Program Staff		All Programs	CDBG: \$187,396	Rental units rehabilitated: 3 Household Housing Unit Homeowner Housing Added: 2 Household Housing Unit Homeowner Housing Rehabilitated: 21 Household Housing Unit Direct Financial Assistance to Homebuyers: 58 Households Assisted
17	Business Development Staff	2013	2018	Non-Housing Community Development		All Programs	CDBG: \$87,756	Businesses assisted: 100 Businesses Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
18	Covington CHDO Development Projects	2013	2018	Affordable Housing		All Programs	HOME: \$36,050	Homeowner Housing Added: 1 Household Housing Unit
20	HOME Administration	2013	2018	Affordable Housing		All Programs	HOME: \$10,312	Homeowner Housing Added: 1 Household Housing Unit Direct Financial Assistance to Homebuyers: 33 Households Assisted
21	NKY HOME Consortium CHDO Development Projects	2013	2018	Affordable Housing		All Programs	HOME: \$27,196	Homeowner Housing Added: 1 Household Housing Unit
23	NKY HOME Consortium Administration	2013	2018	Affordable Housing		All Programs	HOME: \$9,975	Homeowner Housing Added: 1 Household Housing Unit Direct Financial Assistance to Homebuyers: 25 Households Assisted
24	Relocation	2013	2018	Affordable Housing		All Programs	CDBG: \$30,000	Other: 5 Other
25	Interim Assistance	2013	2018	Affordable Housing Non-Housing Community Development		All Programs	CDBG: \$5,000	Other: 5 Other

**Table 2 – Goals Summary**

## Goal Descriptions

1	<b>Goal Name</b>	Upper Floor Residential Rent Rehab Program
	<b>Goal Description</b>	<p>This program supports the rehab of residential rental units in the upper floors of our downtown businesses. The goal of this program would be to provide rehab of residential space into rental units. Applicants must match the grant amount. Projects must be located within the NRSA and therefore an aggregate of LMI residents will be calculated for all projects supported. The City has many mixed use buildings that are in need of repair.</p> <p>If there is no interest in this program, staff is also looking into possible use of these funds for basic white boxing of a commercial space within the downtown target area.</p>
3	<b>Goal Name</b>	Covington Homebuyer Assistance Program
	<b>Goal Description</b>	This is an interest-free, deferred loan program to assist low-income homebuyers with lender required down payment and closing costs.
4	<b>Goal Name</b>	NKY HOME Consortium Homebuyer Assistance Program
	<b>Goal Description</b>	This is an interest-free, deferred loan program to assist low-income homebuyers with lender required down payment and closing costs.
6	<b>Goal Name</b>	Section 108 ED Loan pool
	<b>Goal Description</b>	We will be leveraging our entitlement amount to borrow \$4 million to be available for a loan pool for economic development loans to eligible businesses that follow the ED Incentives process for selection. This expenditure will be covered by income from performing loans. The loan pool has been approved by HUD. Individual project applications will be submitted and reviewed for approval.
7	<b>Goal Name</b>	Streets, Playgrounds, Greenspace

	<b>Goal Description</b>	Funding will be used to for LMI area benefit for infrastructure, parks, playgrounds and greenspace projects.
8	<b>Goal Name</b>	CDBG Administration
	<b>Goal Description</b>	Administrative costs cover the necessary staffing and resources to handle all monitoring, reporting, required reviews and financial management.
10	<b>Goal Name</b>	Code Enforcement Hardship Rehab/Repair
	<b>Goal Description</b>	<p>The Code Enforcement Hardship Program assists low-income homeowners address exterior property code violations. This is an interest-free, deferred/forgivable loan program.</p> <p>The Homeowner Repair Program assists low-income homeowners with urgent home repair needs i.e. furnace, roof and sewer lateral repairs. This program gives preference to elderly, disabled and veteran households. This is an interest-free, deferred/forgivable loan program.</p>
11	<b>Goal Name</b>	Economic Development Technical Assistance
	<b>Goal Description</b>	This activity funds access to a commercial property database and a business retention tracking database to assist with business retention and economic development efforts.

12	<b>Goal Name</b>	Crime Prevention
	<b>Goal Description</b>	This activity funds crime prevention efforts above and beyond essential police coverage. Funding includes an agreement with the Housing Authority of Covington for officers in City Heights. Remaining funds will be used for crime prevention activities or tools for the downtown business district and in designated high crime areas.
13	<b>Goal Name</b>	Recreation Programs
	<b>Goal Description</b>	Provides for our Summer Youth Program and Aquatic Arts Program.
14	<b>Goal Name</b>	Code Enforcement Staff
	<b>Goal Description</b>	Staff will handle the implementation of the Code Enforcement Rental Inspection Program within targeted LMI census tracts.
16	<b>Goal Name</b>	CDBG Program Staff
	<b>Goal Description</b>	Funds to pay staff salaries related to activity delivery costs for CDBG and HOME funded programs and projects.
17	<b>Goal Name</b>	Business Development Staff
	<b>Goal Description</b>	This activity funds staff that will implement the Business Retention Program.
18	<b>Goal Name</b>	Covington CHDO Development Projects
	<b>Goal Description</b>	HONK and CGN serve as our Community Housing Development Organizations and these funds will contribute toward a rehab project to provide affordable housing to LMI individuals.
20	<b>Goal Name</b>	HOME Administration

	<b>Goal Description</b>	HOME funds to cover staff costs related to monitoring, reporting, required reviews and financial management of the HOME Program.
21	<b>Goal Name</b>	NKY HOME Consortium CHDO Development Projects
	<b>Goal Description</b>	HONK and Entryway, Inc. serve as our Community Housing Development Organizations and these funds will contribute toward a rehab project that will provide affordable housing to a LMI individual.
23	<b>Goal Name</b>	NKY HOME Consortium Administration
	<b>Goal Description</b>	HOME funds to cover staff costs related to monitoring, reporting, required reviews and financial management of the HOME Program.
24	<b>Goal Name</b>	Relocation
	<b>Goal Description</b>	Funds to pay eligible relocation costs when necessary for tenants/owners of CDBG assisted housing.
25	<b>Goal Name</b>	Interim Assistance
	<b>Goal Description</b>	Interim Assistance is used to cover maintenance and utility costs associated with federally acquired properties.

**Table 3 – Goal Descriptions**

**AP-35 Projects - 91.420, 91.220(d)**

**Introduction**

During the Consolidated Planning process, the city prioritizes identified needs and strategically allocates funds to achieve the most community impact. Through the city's annual budgeting process the following projects were funded to implement these strategic goals. The Annual Action Plan includes a budget which encompasses revenue from four sources. These include new formula based entitlements, program income/recaptured funds, carry-over, and 108 Loan repayments.

#	Project Name
1	Administration- CDBG
2	HOME Program Administration
3	Rehab Administration
4	Housing Services- HOME Delivery Costs
5	Recreation Staff Delivery Costs
6	Business Development- Retention Program
7	Code Enforcement Staff
8	Covington Homebuyer Assistance Program- PY 2016
9	NKY HOME Consortium Homebuyer Assistance- PY 2016
10	Homeowner Repair Program- PY 2016
11	Code Enforcement Hardship Repair Program- PY 2016
12	Upper Floor Residential Rental Rehab Program- PY 2016
13	Public Improvements
14	Park Improvements
15	Xceligent/Salesforce- Economic Development Tools
16	Police Anti-Crime Program - Targeted Areas
17	Recreation Programs
18	Relocation Expenses

#	Project Name
19	Interim Assistance
20	Section 108 Activities
21	CHDO Housing Development- PY 2016

**Table 3 – Project Information**

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

CDBG and HOME funds will continue to fund many of the same or similar programs as in 2015. In 2015, much of the CDBG funding was used for housing rehabilitation and infrastructure improvements. These continue to be priority issues for the City and will continue to be addressed with current year funding. The city has a large inventory of aging housing stock, both owner and rental, in need of rehabilitation. The City will continue to address these types of properties with available funding. The City continues to receive applications for homeowner repair assistance. The demand for these programs typically outpaces available funding. CDBG funds will also be used to support code enforcement, crime prevention efforts, economic development and public service programs.

There is always a need for affordable housing in the City and a desire by the City and the public to increase homeownership rates. The HOME program will support increasing homeownership opportunities through down payment assistance programs and by creating new affordable homeownership and lease to own units.

**AP-38 Project Summary**

**Project Summary Information**

**Table 4 – Project Summary**

<b>1</b>	<b>Project Name</b>	Administration- CDBG
	<b>Target Area</b>	
	<b>Goals Supported</b>	Upper Floor Residential Rent Rehab Program Section 108 ED Loan pool Streets, Playgrounds, Greenspace Code Enforcement Hardship Rehab/Repair Economic Development Technical Assistance Crime Prevention Recreation Programs Code Enforcement Staff CDBG Program Staff Business Development Staff CDBG Administration Relocation Interim Assistance
	<b>Needs Addressed</b>	All Programs
	<b>Funding</b>	CDBG: \$227,501
	<b>Description</b>	CDBG Program Administration Costs
	<b>Target Date</b>	6/30/2017

	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	
	<b>Location Description</b>	
	<b>Planned Activities</b>	Program administration costs include staff and related costs required for overall program management, coordination, monitoring, reporting, recordkeeping and evaluation.
<b>2</b>	<b>Project Name</b>	HOME Program Administration
	<b>Target Area</b>	
	<b>Goals Supported</b>	Covington Homebuyer Assistance Program NKY HOME Consortium Homebuyer Assistance Program Covington CHDO Development Projects HOME Administration NKY HOME Consortium CHDO Development Projects NKY HOME Consortium Administration
	<b>Needs Addressed</b>	
	<b>Funding</b>	HOME: \$20,287
	<b>Description</b>	This project funds administrative costs for the HOME Program
	<b>Target Date</b>	6/30/2017

	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	
	<b>Location Description</b>	
	<b>Planned Activities</b>	Program administration costs include staff and related costs required for overall program management, coordination, monitoring, reporting, recordkeeping and evaluation.
<b>3</b>	<b>Project Name</b>	Rehab Administration
	<b>Target Area</b>	
	<b>Goals Supported</b>	Upper Floor Residential Rent Rehab Program Code Enforcement Hardship Rehab/Repair CDBG Program Staff
	<b>Needs Addressed</b>	
	<b>Funding</b>	CDBG: \$76,340
	<b>Description</b>	This project funds staff delivery costs to administer CDBG funded residential rehab programs.
	<b>Target Date</b>	6/30/2017
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	This activity will benefit approximately 25 LMI homeowners.
	<b>Location Description</b>	

	<b>Planned Activities</b>	Funds provide for staffing to support program delivery costs for CDBG funded residential rehab programs. Activities include: inspections, cost estimates, specifications, applicant qualifying, processing payments, etc.
<b>4</b>	<b>Project Name</b>	Housing Services- HOME Delivery Costs
	<b>Target Area</b>	
	<b>Goals Supported</b>	Covington Homebuyer Assistance Program NKY HOME Consortium Homebuyer Assistance Program Business Development Staff NKY HOME Consortium CHDO Development Projects
	<b>Needs Addressed</b>	
	<b>Funding</b>	CDBG: \$40,430
	<b>Description</b>	This project funds activity delivery costs to administer the City's HOME funded programs and projects.
	<b>Target Date</b>	6/30/2017
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	This activity will benefit approximately 60 low-income households.
	<b>Location Description</b>	
	<b>Planned Activities</b>	Activity delivery costs to administer the City's HOME funded programs and projects.
<b>5</b>	<b>Project Name</b>	Recreation Staff Delivery Costs

	<b>Target Area</b>	
	<b>Goals Supported</b>	Streets, Playgrounds, Greenspace Recreation Programs
	<b>Needs Addressed</b>	
	<b>Funding</b>	CDBG: \$12,120
	<b>Description</b>	This project funds a portion of the salaries for a staff person to administer CDBG funded park improvements and recreation programs.
	<b>Target Date</b>	6/30/2017
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	
	<b>Location Description</b>	
	<b>Planned Activities</b>	Project delivery costs associated with CDBG funded park improvements and recreation programs.
<b>6</b>	<b>Project Name</b>	Business Development- Retention Program
	<b>Target Area</b>	
	<b>Goals Supported</b>	Business Development Staff
	<b>Needs Addressed</b>	
	<b>Funding</b>	CDBG: \$87,756

	<b>Description</b>	This project funds salaries for staff person responsible for execution of the business retention program.
	<b>Target Date</b>	6/30/2017
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	This activity will target assistance to businesses that create and/or retain jobs available to LMI residents.
	<b>Location Description</b>	
	<b>Planned Activities</b>	This project will provide funds for staff salaries responsible for execution of the business retention program. Businesses in the city create and retain LMI jobs.
<b>7</b>	<b>Project Name</b>	Code Enforcement Staff
	<b>Target Area</b>	
	<b>Goals Supported</b>	Code Enforcement Staff
	<b>Needs Addressed</b>	All Programs
	<b>Funding</b>	CDBG: \$52,767
	<b>Description</b>	This project funds Code Enforcement staff to perform targeted code enforcement in low-income census tracts
	<b>Target Date</b>	6/30/2017

	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	
	<b>Location Description</b>	LMI census tracts.
	<b>Planned Activities</b>	Funds provided to pay for Code Enforcement staff to perform targeted code enforcement in low-income census tracts.
<b>8</b>	<b>Project Name</b>	Covington Homebuyer Assistance Program- PY 2016
	<b>Target Area</b>	
	<b>Goals Supported</b>	Covington Homebuyer Assistance Program
	<b>Needs Addressed</b>	
	<b>Funding</b>	HOME: \$164,750
	<b>Description</b>	This project funds the Covington Homebuyer Assistance Program.
	<b>Target Date</b>	6/30/2017
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	This activity will benefit approximately 33 low-income homebuyers.
	<b>Location Description</b>	This activity is available to low-income homebuyers city-wide.

	<b>Planned Activities</b>	This is an interest-free, deferred loan program to assist low-income homebuyers with lender required down payment and closing costs.
<b>9</b>	<b>Project Name</b>	NKY HOME Consortium Homebuyer Assistance- PY 2016
	<b>Target Area</b>	
	<b>Goals Supported</b>	NKY HOME Consortium Homebuyer Assistance Program
	<b>Needs Addressed</b>	All Programs
	<b>Funding</b>	HOME: \$124,285
	<b>Description</b>	This project funds the Northern KY HOME Consortium Homebuyer Assistance Program which includes the cities of Ludlow, Newport, Bellevue and Dayton.
	<b>Target Date</b>	6/30/2017
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	This activity will benefit approximately 25 low-income homebuyers.
	<b>Location Description</b>	This activity is available city-wide in all of the NKY HOME Consortium cities.
	<b>Planned Activities</b>	This is an interest-free, deferred loan program to assist low-income homebuyers with lender required down payment and closing costs.
<b>10</b>	<b>Project Name</b>	Homeowner Repair Program- PY 2016
	<b>Target Area</b>	
	<b>Goals Supported</b>	Code Enforcement Hardship Rehab/Repair

	<b>Needs Addressed</b>	
	<b>Funding</b>	CDBG: \$100,000
	<b>Description</b>	This project funds the City's Homeowner Repair Program assist LMI homeowners with urgent home repair needs i.e. furnace, roof and sewer later repairs.
	<b>Target Date</b>	6/30/2017
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	This activity will assist approximately 20 households. This activity is for LMI households only with a preference given to elderly, disabled and veteran households.
	<b>Location Description</b>	This activity is available city-wide on a first-come, first-serve basis.
	<b>Planned Activities</b>	Single-family residential rehab to address urgent/emergency home repairs.
<b>11</b>	<b>Project Name</b>	Code Enforcement Hardship Repair Program- PY 2016
	<b>Target Area</b>	
	<b>Goals Supported</b>	Code Enforcement Hardship Rehab/Repair
	<b>Needs Addressed</b>	
	<b>Funding</b>	CDBG: \$45,000
	<b>Description</b>	This project funds the Code Enforcement Hardship Repair Program. This program assists LMI homeowners, who can document a financial hardship, to alleviate exterior code violations who have been cited by the Code Enforcement Department.
	<b>Target Date</b>	6/30/2017

	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	This activity will assist approximately 5 households. This activity is for LMI households only with a preference given to elderly, disabled and veteran households.
	<b>Location Description</b>	This activity is available city-wide on a first-come, first-served basis.
	<b>Planned Activities</b>	Single-family residential rehab addressing exterior code enforcement violations.
<b>12</b>	<b>Project Name</b>	Upper Floor Residential Rental Rehab Program- PY 2016
	<b>Target Area</b>	
	<b>Goals Supported</b>	Upper Floor Residential Rent Rehab Program
	<b>Needs Addressed</b>	
	<b>Funding</b>	CDBG: \$60,000
	<b>Description</b>	This project funds the Upper Floor Residential Rental Rehab Program. This program provides loans to property owners to redevelop vacant, upper-floor space into affordable rental units.
	<b>Target Date</b>	6/30/2017
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	This activity will benefit approximately 3 LMI households.
	<b>Location Description</b>	No specific addresses have been identified yet. This activity is targeted to mixed-use buildings in the Central Core target area.

	<b>Planned Activities</b>	Rehabilitation of vacant, upper-floor space in mixed-use buildings into affordable rental units.
<b>13</b>	<b>Project Name</b>	Public Improvements
	<b>Target Area</b>	
	<b>Goals Supported</b>	Streets, Playgrounds, Greenspace
	<b>Needs Addressed</b>	
	<b>Funding</b>	CDBG: \$847,000
	<b>Description</b>	This project will fund public improvements including street resurfacing, ADA sidewalk ramps, streetscape improvements, etc. This funding will also be leveraged with other sources of funding to complete these public improvements.
	<b>Target Date</b>	6/30/2017
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	These activities will occur in qualified LMI census tracts to benefit LMI households on an area basis.
	<b>Location Description</b>	The City performs an annual street survey to identify priority areas that are need of improvements. Streetscape improvements will be targeted to the downtown/core area.
	<b>Planned Activities</b>	Street resurfacing, installation of ADA ramps, streetscape improvements.
<b>14</b>	<b>Project Name</b>	Park Improvements
	<b>Target Area</b>	
	<b>Goals Supported</b>	Streets, Playgrounds, Greenspace

	<b>Needs Addressed</b>	
	<b>Funding</b>	CDBG: \$200,000
	<b>Description</b>	This project will fund improvements to the 19 neighborhood parks in the city. A current Public Facilities Plan has a goal of contributing \$50,000 to 2 parks each year for the next 10 years.
	<b>Target Date</b>	6/30/2017
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Activities will occur in City parks that serve LMI populations.
	<b>Location Description</b>	A parks condition survey is currently underway to identify which parks need improvements.
	<b>Planned Activities</b>	Activities will include installation of new playground equipment, new and/or upgraded recreation facilities, landscaping upgrades, etc.
<b>15</b>	<b>Project Name</b>	Xceligent/Salesforce- Economic Development Tools
	<b>Target Area</b>	
	<b>Goals Supported</b>	Economic Development Technical Assistance
	<b>Needs Addressed</b>	
	<b>Funding</b>	CDBG: \$7,311

	<b>Description</b>	This project funds the utilization of two online subscription services to foster economic development, job creation and job retention (Xceligent and Salesforce). This is a joint effort between the City and The Northern Kentucky Tri-County Economic Development Corporation (Tri-ED), a non-profit organization, blending public and private funds to enhance the business climate and to foster a spirit of regional cooperation among the Northern Kentucky counties of Boone, Kenton, and Campbell. Northern Kentucky Tri-ED assists local companies in expanding their operations and works with the local communities to develop the resources and infrastructure to support their economic development programs.
	<b>Target Date</b>	6/30/2017
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	
	<b>Location Description</b>	
	<b>Planned Activities</b>	Utilization of a database to track business retention efforts to businesses that employ LMI individuals and a database of available commercial property to attract new businesses to the City.
<b>16</b>	<b>Project Name</b>	Police Anti-Crime Program - Targeted Areas
	<b>Target Area</b>	
	<b>Goals Supported</b>	Crime Prevention
	<b>Needs Addressed</b>	
	<b>Funding</b>	CDBG: \$150,000
	<b>Description</b>	This project funds additional police patrols at the City Heights public housing site in cooperation with the Housing Authority of Covington and in targeted areas of high crime as identified by the Police Department.

	<b>Target Date</b>	6/30/2017
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	This activity will benefit all residents in targeted low-mod census tracts on an area basis.
	<b>Location Description</b>	City Heights public housing complex and targeted high crime areas identified by the Police Department.
	<b>Planned Activities</b>	Additional police patrols in targeted areas of high crime.
17	<b>Project Name</b>	Recreation Programs
	<b>Target Area</b>	
	<b>Goals Supported</b>	Recreation Programs
	<b>Needs Addressed</b>	
	<b>Funding</b>	CDBG: \$50,000
	<b>Description</b>	This project funds recreation programs for Covington residents.
	<b>Target Date</b>	6/30/2017
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	These activities are offered at City park sites that serve LMI residents.
	<b>Location Description</b>	These activities will occur at City parks and pools.
	<b>Planned Activities</b>	Summer Youth Program and Aquatic Arts Program.

<b>18</b>	<b>Project Name</b>	Relocation Expenses
	<b>Target Area</b>	
	<b>Goals Supported</b>	Relocation
	<b>Needs Addressed</b>	
	<b>Funding</b>	CDBG: \$30,000
	<b>Description</b>	This project funds relocation expenses to owners/occupants of units either acquired with federal money or for owner-occupied units undergoing rehab that require occupant relocation.
	<b>Target Date</b>	6/30/2017
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	
	<b>Location Description</b>	
	<b>Planned Activities</b>	Relocation assistance to units either acquired with federal money or for owner-occupied units undergoing rehab.
<b>19</b>	<b>Project Name</b>	Interim Assistance
	<b>Target Area</b>	
	<b>Goals Supported</b>	Interim Assistance
	<b>Needs Addressed</b>	

	<b>Funding</b>	CDBG: \$5,000
	<b>Description</b>	Funds provided for temporary maintenance of, or emergency actions on, City-owned properties.
	<b>Target Date</b>	6/30/2017
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	
	<b>Location Description</b>	
	<b>Planned Activities</b>	Temporary maintenance of, or emergency actions on, City-owned properties.
<b>20</b>	<b>Project Name</b>	Section 108 Activities
	<b>Target Area</b>	
	<b>Goals Supported</b>	Section 108 ED Loan pool
	<b>Needs Addressed</b>	
	<b>Funding</b>	CDBG: \$25,000
	<b>Description</b>	In 2014 Covington was approved for a \$4 million Section 108 economic development loan pool. Example projects were submitted as part of the original loan application. However, any actual projects will need to be fully vetted and reviewed by HUD before any approvals and draw down of funds.
	<b>Target Date</b>	6/30/2017

	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Section 108 funds will be utilized for an economic development loan pool. This loan pool will be used to assist business endeavors that will create LMI jobs. Section 108 funds may also be used for slum/blight removal activities associated with acquisition and redevelopment of blighted properties.
	<b>Location Description</b>	No specific projects or addresses have been identified. The Central Core/Downtown area will be targeted through these activities.
	<b>Planned Activities</b>	Specific projects and activities have not yet been identified.
<b>21</b>	<b>Project Name</b>	CHDO Housing Development- PY 2016
	<b>Target Area</b>	
	<b>Goals Supported</b>	Covington CHDO Development Projects NKY HOME Consortium CHDO Development Projects
	<b>Needs Addressed</b>	
	<b>Funding</b>	HOME: \$63,246
	<b>Description</b>	This project funds the required HOME CHDO set-aside for the creation of affordable housing units by qualified local CHDO's.
	<b>Target Date</b>	6/30/2017
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	This activity will benefit approximately 2 low-income families.

	<b>Location Description</b>	No addresses identified yet. This activity may take place in any of the HOME Consortium participating cities as specific CHDO projects are identified.
	<b>Planned Activities</b>	Single-family housing rehab or development to create new affordable housing units for homeownership, rental or lease to own.

**AP-50 Geographic Distribution - 91.420, 91.220(f)**

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

Every Census Tract in Covington is Low/Mod Income except for Census Tracts 653 and 668. Those Census Tracts are located in the southern end of Covington south of Interstate 275. CDBG funds will be directed to all areas of the City for activities related to homeowner repair assistance. Funds for the Upper Floor Residential Rehab Program are targeted to the downtown core area. Funds related to crime prevention and code enforcement will be targeted to areas of blight and high crime. Infrastructure and other public improvements will be directed to streets and parks that are identified as in need of improvements.

HOME Program funds are available city-wide in all Consortium cities. There is no targeting of HOME funds.

**Geographic Distribution**

Target Area	Percentage of Funds

**Table 5 - Geographic Distribution**

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

There are low-income homeowners in all areas of the City that can benefit from homeowner repair programs. The repair programs are not targeted to specific areas, but are targeted to elderly, disabled and veteran households. The Upper Floor Rehab Program is targeted to the downtown core area to promote residential redevelopment in this area and due to the fact that the downtown core area contains the most vacant upper floor space in the City. Code enforcement and crime prevention efforts are targeted to blighted, high crime areas and are meant to support other redevelopment efforts ongoing in these areas.

There are park and infrastructure plans in place that identify areas in need of improvement annually.

### **Discussion**

## Affordable Housing

### AP-55 Affordable Housing - 91.420, 91.220(g)

#### Introduction

The City of Covington invests federal funds in the development of rental and homeownership units and the rehabilitation and repair of existing homeowner units. This section shows specific goals for the number of homeless, non-homeless, and special needs households that will be provided affordable housing during the 2016-17 program year. Also shown is the number of affordable housing units that will be provided with CDBG and HOME funds. Programs that will provide these units through CDBG are: the Homeowner Repair Program, the Code Enforcement Hardship Repair Program, and the Upper Floor Residential Rehab Program. Programs that will provide these units through HOME are: the Covington Homebuyer Assistance Program, the Northern Kentucky HOME Consortium Homebuyer Assistance Program, CHDO projects, and non-CHDO Housing Development projects.

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

**Table 6 - 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	27
Acquisition of Existing Units	58
Total	87

**Table 7 - One Year Goals for Affordable Housing by Support Type**

#### Discussion

The CDBG Code Enforcement Hardship Program will assist the rehab of 4 units.

The CDBG Homeowner Repair Program will assist the rehab of 20 units.

The CDBG Upper Floor Residential Rehab Program will assist the rehab of 3 units.

The Covington and NKY HOME Consortium Homebuyer Assistance Programs will assist in the acquisition of 58 existing units.

Housing Opportunities of Northern Kentucky (HONK), Center for Great Neighborhoods (CGN) and Entryway, Inc. serve as CHDOs for Covington and the HOME Consortium. These organizations will utilize our CHDO set-aside funds for projects within the boundaries of the Consortium. CHDO set-aside funds will create 2 new or rehabbed units. They are primarily homeownership but they may be lease-purchase projects.

## **AP-60 Public Housing - 91.420, 91.220(h)**

### **Introduction**

The Housing Authority of Covington, a separate government entity, administers public housing new construction, rehabilitation and modernization activities, and home ownership opportunity programs. The Housing Authority manages and maintains over 800 units located in 2 family sites, Latonia Terrace and City Heights; one exclusively elderly building, Golden Towers and various scattered sites (Academy Flats, ESR I, ESR II, ESR III, Emery Drive, and New Site Properties).

The Community Housing Resource Group is a joint effort, formed through a Consortium, between the City of Covington and the Housing Authority of Covington to administer the Section 8 Housing Choice Voucher Program. Section 8 assists low and very low-income families, the elderly and disabled to afford decent, safe and sanitary housing in the private market.

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

There will be multiple efforts ongoing during the 2016 Program Year to address the needs of public housing. The Housing Authority of Covington and the City of Covington will continue to implement public housing programs and Section 8 assistance programs respectively.

There will be initiatives to provide new public housing and Section 8 housing opportunities including: completion of the River's Edge at Eastside Point redevelopment project on the former Jacob Price housing complex site as part of the HOPE VI funding, development of new homeownership units as part of the HOPE VI funding, Lincoln Grant Scholar House (a \$700,000 LIHTC project to provide 45 units of Project Based Section 8 subsidized housing with educational and supportive services), and a joint Housing Authority/Section 8 Housing Fair to promote public housing opportunities, especially to the veteran and elderly population.

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

The Housing Authority of Covington’s Resident Services Department provides leadership and program support for Covington Public Housing programs. The Housing Authority of Covington’s Resident Services Department is funded through both federal and private grants. The mission of the Housing Authority of Covington is to break the cycle of generational poverty and foster economic self-sufficiency among residents living in and/or being served by Covington Public Housing programs. The Housing Authority of Covington’s objectives of its Resident Services Department are to provide quality programming, as well as resources, to low income families to address the barriers to economic self-sufficiency.

The Housing Authority of Covington collaborates with many community organizations to serve the public housing resident population.

The City of Covington Section 8 Department administers a Family Self-Sufficiency Program to assist Section 8 families to work towards economic self-sufficiency and also administers a Section 8 to Homeownership Program. This program allows Section 8 families to use their Housing Choice Vouchers towards the purchase of a home rather than rent.

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

The PHA is not designated as troubled.

**Discussion**

## **AP-65 Homeless and Other Special Needs Activities - 91.420, 91.220(i)**

### **Introduction**

The Region III Continuum of Care and the Ten Year Plan to End Chronic Homelessness is coordinated by the Commonwealth through the efforts of NKADD and is moving forward on developing a regional approach to addressing homeless issues including chronic homelessness. The City of Covington and Northern Kentucky HOME Consortium understand the detrimental impact that homelessness can have on our residents and are committed to working with our local organizations, the NKADD, the Kentucky Housing Corporation and HUD to develop a comprehensive, coordinated approach to ending chronic homelessness. The Region 3 Continuum of Care developed a local Ten Year Plan to End Chronic Homelessness to address the needs specific to our region, Northern Kentucky. The Region 3 Ten Year Plan to End Chronic Homelessness was completed in 2008.

### **Describe the jurisdiction's one-year goals and actions for reducing and ending homelessness including**

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

There are a large number of homeless agencies that are active in Campbell and Kenton counties. Through partnerships, there is a drive to locate all services in one central, accessible location. Agencies and City Staff have been researching best practices around our region. Columbus and Indianapolis were both visited to assess how they run award winning programs. The Continuum of Care works with the County and City leadership to make progress in this challenging opportunity. The City of Covington's Mayor, Sherry Carran signed on to HUD's Mayor's Challenge to End Veteran Homelessness in 2014.

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

There are local agencies that will be using funds awarded through McKinney-Vento Homeless Assistance.

Transitions, Inc. operates programs that provide transitional housing with intensive case management, outreach, employment services, psychiatric nursing services, mental health case management, and life skills assistance.

The NKY Emergency Cold Shelter offers emergency shelter during cold weather months to those in need.

#### **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**

Transitions, Inc. provides permanent supportive housing to 12 homeless individuals in Covington. This is one of only a small number of projects classified as permanent housing for persons with disabilities.

NorthKey Community Care operates a Rental Subsidy Program which is a permanent housing program for the homeless and disabled. Permanent housing is a top priority for this region. Welcome House of Northern Kentucky, Inc. offers its Gaining Access to Programs and Services which is a collaborative supportive services-only grant which serves homeless individual women and families with children that addresses complex, multiple needs through outreach and assessment, crisis intervention, coordination of services, collaborative effort to stabilize families and addresses factors contributing to homelessness. The funds pay for case management, housing counseling, life skills education, childcare, employment services, substance abuse treatment, transportation and housing assistance.

**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 Region III Continuum of Care includes agencies that are working to reduce homelessness and to create programs to prevent homelessness. The City will continue to support these efforts.

#### **Discussion**

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

## **AP-75 Barriers to affordable housing - 91.420, 91.220(j)**

### **Introduction**

The U.S. Department of Housing and Urban Development (HUD) requires each jurisdiction receiving Community Development Block Grant (CDBG) or HOME Investment Partnerships (HOME) funds to certify that it is in compliance with the Consolidated Plan Final Rule, published in the Federal Register (24 CFR 91.225). The Consolidated Plan is a document prepared by the City of Covington's Department of Development in cooperation with the Northern Kentucky HOME Consortium and serves as:

- A housing and community development planning document;
- A strategy to be followed in carrying out HUD programs;
- An action plan that provides a basis for assessing performance; and
- An application for the City in regards to the Community Development Block Grant (CDBG) program and the Northern Kentucky HOME Consortium for the HOME Investment Partnerships (HOME) program

The Fair Housing Act of 1968 required that all HUD programs be administered in a manner that will "affirmatively further fair housing." Although the Analysis of Impediments to Fair Housing Choice (AI) is not directly approved or denied, it is a HUD-mandated document. As such, the Consolidated Plan requires each jurisdiction to show its commitment to affirmatively furthering fair housing choice by . . .

- Conducting an Analysis of Impediments to Fair Housing Choice;
- Identifying policies, programs and practices that address the identified impediments;
- Taking appropriate actions to overcome the effects of impediments identified through that analysis; and
- Maintaining records that reflect the analysis and actions.

According to HUD, impediments to Fair Housing choice are:

- Any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status or national origin which restrict housing choices or the availability of housing choices.
- Any actions, omissions, or decisions which have the effect of restricting housing choices or the availability of housing choices on the basis of race, color, religion, sex, disability, familial status or national origin.

**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**

The HOME Consortium cities promote the placement of new and rehabilitated housing for lower-income households in a wide spectrum of neighborhoods. The zoning ordinances and other land use policies do not appear to significantly impact the provision of lower-income housing. Other than in the southern section of Covington, zoning subdivision, and other requirements do not restrict the level of density required for low- and moderate- income housing, or the location of facilities for persons with disabilities. Covington has adopted the Kentucky Building Code in its entirety. The Kentucky Building Code is based upon the BOCA National Building Code and incorporates an accessibility provision.

The City will continue to educate the public and city leaders regarding barriers to affordable housing through outreach efforts with its partner organizations.

### **Discussion**

The City of Covington/Northern Kentucky HOME Consortium conducted a new Analysis of Impediments in the 2013-14 Program Year to complement the 2013-18 Consolidated Plan. Below is a list of the impediments discovered and the actions to be taken:

**Impediment #1: Isolation due to affordability issues** - Action 1 – Continue offering Homebuyer Assistance utilizing HOME funds; Action 2 – Work with realtors to market homes in a broader manner; Action 3 – When working with developers, encourage mixed income developments

**Impediment #2: Ability of low-income households to purchase housing** - Action 1 – Encourage and market credit counseling services offered by other entities through the City’s website; Action 2 – Encourage the continuation of the “Bank On Campaign”, which helps low income households obtain bank accounts (also helps with rental as well to establish financial banking history); market the program on the City’s website

**Impediment #3: Foreclosures due to predatory lending in low-income census tracts** - Action 1 – Encourage families to participate in financial education, financial literacy courses, etc. by providing information on the City’s website; Action 2 – Continue to require HUD approved homebuyer counseling for all HOME homebuyer program participants

**Impediment #4: Public awareness** - Action 1 – Work with the Human Rights Commission; Action 2 – Post information on the city’s website, brochures, public events, newsletters, dedicate funds in PY 2014 CDBG budget to facilitate fair housing education - Action 3 – Inform/educate landlords through outreach efforts including trainings, mailings, information on City’s website; Action 4 – Support consumer education programs, such as homebuyer counseling; Action 5 – Participate in Fair Housing education efforts for Consortium Cities employees, and CDBG and HOME recipients; Action 6 – Market units

financed through City efforts to groups least likely to apply for assistance by working through entities that work with minority and disabled populations; Action 7 – Promote Fair Housing month

**Impediment #5: Physical accessibility** - Action 1 – Educate landlords and residents on reasonable accommodations requirements; Action 2 – Use of CDBG funds to provide handicap ramps for sidewalks

**Impediment #6: Discrimination due to race, ethnicity, gender, disability** - Action 1 – Continue relationship with local and state Human Rights Commission; Action 2 – Education of City Staff on recognizing discrimination

## **AP-85 Other Actions - 91.420, 91.220(k)**

### **Introduction**

Described below are the city's planned actions to carry out the following strategies outlined in the Consolidated Plan.

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

Obstacles to meeting underserved needs have been identified. These obstacles include: the lack of adequate financial resources, the need for increased supportive services, the increasing cost of housing, the need to expand economic opportunities, the need to coordinate resources, and the need to inform households of available services.

Programs funded with CDBG and HOME will continue to try to address these underserved needs. Additional funding sources will be utilized as available from the public and private sector. Programs will be implemented to provide public services and to increase affordable housing and economic opportunities. There will be additional coordination of resources and outreach will be expanded to ensure that the public is aware of available resources.

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

HOME funds will be used to increase affordable housing opportunities by assisting low-income homebuyers through the Homebuyer Assistance Purchase Programs and CHDO development activities. CDBG and HOME funds will be used for Housing Development Activities to develop affordable housing units in Covington and the HOME Consortium cities.

CDBG funds will be used to maintain affordable housing through homeowner rehab and repair programs. The City will refer homeowners who cannot be assisted with CDBG funded programs to other home repair programs i.e. People Working Cooperatively. The City will also search for additional homeowner rehab funding sources i.e. the Federal Home Loan Bank of Cincinnati that may leverage existing CDBG funding.

The City will partner with local HUD approved homeowner counseling agencies to assist with foreclosure prevention and pre-purchase counseling.

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

#### Lead Based Paint Policy

All homes that were built pre-1978:

**Homebuyer Program** – A visual assessment is performed to identify any deteriorated paint at or in excess of de-minimis standards and notification of the results are passed to homebuyer. Paint stabilization utilizing safe work practices by a RRP Certified Contractor is required for paint deterioration above de-minimis followed by obtainment of Clearance testing.

**Rehabilitation Program** – A visual assessment is performed to identify any deteriorated paint at or in excess of de-minimis standards and notification of the results are passed to homeowner. Additional steps are outlined below as it pertains to funding amount. (Funding amount is per unit rehabilitation hard costs and do not include costs of lead hazard evaluation and reduction.)

**\$0.00 - \$5,000.00** “Do no harm” approach. Lead safety requirements cover only the surfaces being disturbed. Presume surfaces contain lead-based paint. Work which disturbs painted surfaces presumed to contain lead-based paint is done using lead safe work practices by a RRP Certified Contractor and clearance of the worksite is performed at the end of the job (unless it is a very small “de minimis” scale project) to ensure that no lead dust hazards remain in the work area.

**\$5,001.00 - \$25,000.00** Identify and control lead hazards. Identify all lead hazards by performing a lead-based paint risk assessment. RRP Certified Contractors must control the hazards using interim controls and clearance of the worksite is performed at the end of the job to ensure that no lead dust hazards remain in the work area.

**\$25,001.00 or more** Identify and abate lead hazards. Identify all lead hazards at the property by performing a risk assessment and then abate all the hazards. This approach requires certified abatement contractors perform the abatement part of the job and clearance of the worksite is performed at the end of the job to ensure that no lead dust hazards remain in the work area.

This policy is not applicable to homes that were built in 1978 or after.

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

Programs funded with CDBG and HOME provide homeowner rehabilitation and repairs, new construction of rental and homeowner units and down payment assistance for income-eligible homebuyers. These activities, that produce and preserve affordable housing, are important in reducing

the number of poverty-level families in the city. Using CDBG funding, city programs also support activities that provide public services and recreational activities.

Section 8 agencies in Kenton and Campbell Counties administer Family Self-Sufficiency Programs and Section 8 to Homeownership Programs to guide Section 8 families on a path of financial stability.

The city implements the federally required Section 3 program, where applicable, to ensure that employment or contracting opportunities generated by HUD funded projects give preference to qualified low and very low income persons or business concerns.

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

CDBG and HOME funds are administered through the Department of Development (DOD). The DOD oversees the management and expenditure of these funds with assistance from the City's Finance Department. Functions of the department include planning and policy-making, program administration, management of grants/loans and monitoring. The DOD also manages the implementation of all activities funded by the CDBG and HOME Programs.

The City of Covington is a HOME participation jurisdiction and is the lead entity of the Northern Kentucky HOME Consortium. The Consortium includes Covington and the cities of Ludlow, Newport, Bellevue and Dayton. There is a Governing Board with one representative from each municipality serving as a voting member. This representative is the Mayor or his/her designee. This Board establishes all policies and procedures, determines funding allocations, controls all activities and will instruct Covington during implementation of the program in accordance with the Bylaws. However, Covington, as the lead entity, ultimately approves all funding decisions.

There is also an extensive structure of other agencies, non-profit and for-profit developers, educational institutions, neighborhood and community organizations, non-profit funders, affordable housing developers, business, economic development and workforce development organizations, lenders, private funders and healthcare providers that work towards implementing the goals of the Consolidated Plan.

The City realigned staff to ensure clear roles and responsibilities and will continue to update the procedures to monitor all HOME and CDBG programs and activities internally and externally to ensure program effectiveness and efficiency. All individual activity files will be monitored by the Community Development Manager, with assistance from the Assistant City Manager for Development, to ensure compliance with all program rules and regulations. This includes homeowner rehab programs, homebuyer programs, recreation programs, public facilities and improvements, business retention programs, crime prevention efforts, code enforcement and any other activities funded in whole or in part with HOME or CDBG. An onsite monitoring schedule will be created for all external monitoring requirements i.e. CHDO annual monitoring and past projects funded with CDBG or HOME that require ongoing monitoring. External monitoring will be conducted by the Community Development Manager and/or the CDBG/HOME Program Coordinator. No CDBG or HOME funds are released for any project or

activity without prior review by the Community Development Manager and the Assistant City Manager for Development.

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

There are a number of ongoing collaborative efforts in the community. The City maintains communications and a cooperative relationship with the following community based organizations: Covington Neighborhood Collaborative, Center for Great Neighborhoods of Covington, Housing Opportunities of Northern Kentucky, Entryway, Inc., the United Way, the Catalytic Development Fund of Northern Kentucky, the Life Learning Center, Vision 2015, Catholic Charities of Northern Kentucky, The Brighton Center, The Welcome House, the Covington Human Rights Commission, real estate professionals and lenders.

The City will continue to foster and expand these cooperative efforts to further the goals of the Consolidated Plan.

**Discussion**

**Program Specific Requirements**

**AP-90 Program Specific Requirements - 91.420, 91.220(I) (1,2,4)**

**Introduction**

The following are the program specific requirements for the Annual Action Plan (ALL amounts are currently estimates).

**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 105,000

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.	25,000
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
<b>Total Program Income:</b>	<b>130,000</b>

**Other CDBG Requirements**

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	90.00%

**HOME Investment Partnership Program (HOME)**

**Reference 24 CFR 91.220(l)(2)**

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

Covington/NKY HOME Consortium will only utilize HOME entitlement funds for eligible activities within 92.205. Other forms of investments are private lender mortgage funds homebuyer contributions.

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 City of Covington provides HOME Program funds to create affordable housing units and assist income eligible families with the purchase of a home. The following Recapture Policy ensures that the city recoups all or a portion of the HOME assistance paid to the homebuyers in the event that the assisted housing does not continue to be the principal residence of the family through the duration of the affordability period. The HOME investment that is subject to recapture is based on the amount of HOME assistance that enabled the homebuyer to purchase the dwelling unit. This includes any HOME assistance that reduced the purchase price from the fair market value to an affordable price, but excludes the amount between the cost of producing the unit and the market value of the property (the development subsidy). Covington does not use the re-sale provision for HOME homebuyer projects.

The following minimum affordable periods will be imposed on all HOME funded homebuyer activities based on the level of funding provided:

- Under \$15,000 – 5 years
- \$15,000-\$40,000 – 10 years
- Over \$40,000 – 15 years

To ensure recapture, the City will execute a HOME program agreement, a promissory note and a mortgage. The borrower agrees to remain in the property as the principal place of residence for a period of no less than the minimum required period of affordability from the date of the execution of the agreements. If the property is sold or the borrower does not reside in the premises for the required minimum period of affordability, the outstanding principal balance shall immediately become due and payable (recapture provision) as outlined in the Promissory Note.

The HOME mortgage is recorded on the property for the term of the agreement. HOME funds are provided to homebuyers in the form of interest-free, deferred-forgivable loans. The loan balance is repaid in a lump sum upon the sale, transfer or vacating of the property.

When the recapture provision is triggered by a sale (voluntary or involuntary) of the housing unit, and there are no net proceeds or the net proceeds are insufficient to repay the HOME investment due, the City will only recapture the net proceeds, if any. "Net proceeds" is defined as the sales price minus superior loan repayment (other than HOME funds) and any closing costs.

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 above description.

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:

Not applicable.

## **Discussion**