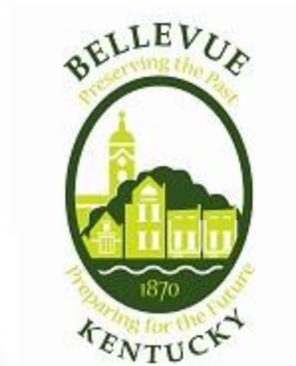


*Covington, Kentucky*  
**ANNUAL ACTION PLAN**  
**2014 – 2015**



Presented to U.S. Department of Housing and Urban Development  
Louisville Office of Community Planning and Development  
Approved by Covington City Commission: May 13, 2014  
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 City of Covington and the NKY HOME Consortium are considered to be entitlement communities by the U.S. Department of Housing and Urban Development (HUD). As a result an annual allocation of funding comes in the form of Community Development Block Grants (CDBG) and Home Investment Partnership Program Funds (HOME). 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.

Use of these funds requires the create of an Annual Action Plan that outlines how the funds will be spent. The number one goal of this plan is to be an informative and useful tool for the residents, organizations and businesses that are committed to Covington and Northern Kentucky's continued renaissance. A secondary goal of the plan is to demonstrate to the HUD, Covington's effective stewardship of the resources they provide. This will also include the data relative to the Northern Kentucky HOME Consortium member cities of Ludlow, Newport, Bellevue and Dayton. The City of Covington is the lead agency responsible for this plan.

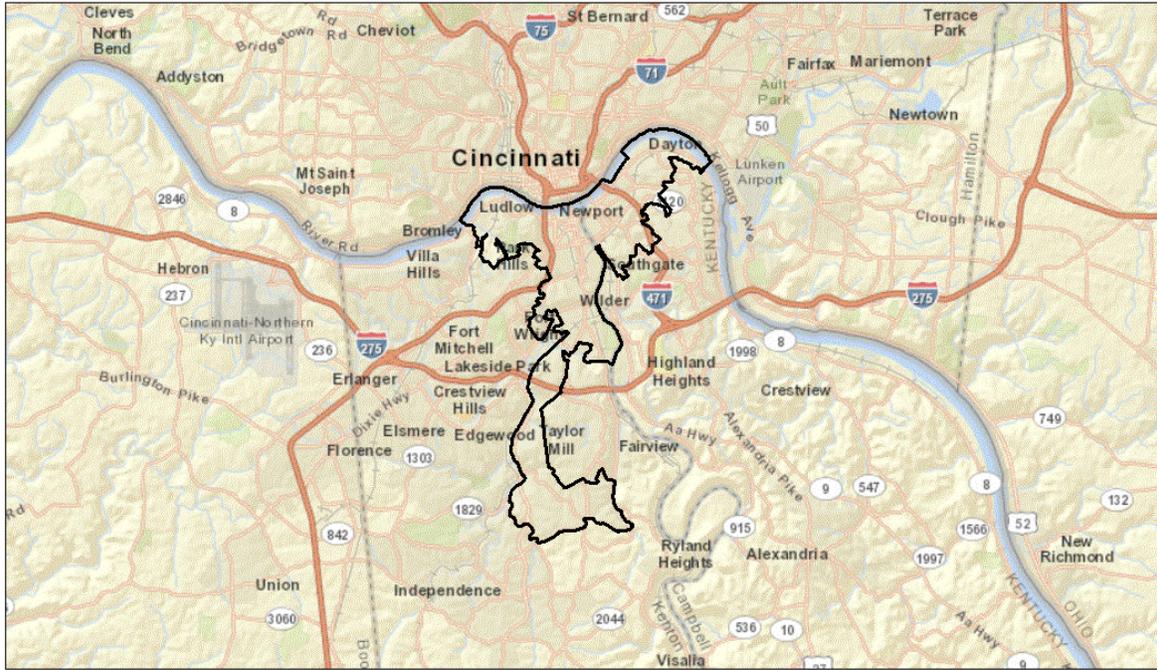
### 2014-15 Budget

Utilizing resident input, data from the 2000 and 2010 Census and other sources, and input from our nonprofit and for profit partners the City of Covington developed the following Consolidated Plan – Five Year Strategic Plan for years 2013-2017 and the Annual Action Plan for Program Year July 1, 2014 – June 30, 2015. The total budget for the Department of Development is comprised of funds that are received though and administered by HUD.

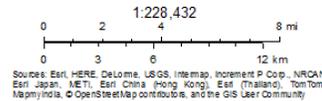
The Annual Action Plan includes a budget which encompasses revenue from four sources. These include new formula based entitlements, program income, carry-over, and 108 Loan repayments. The new formula based entitlements are \$1,420,110 in Community Development Block Grant (CDBG) funding and \$253,132 in Home Investment Partnerships (HOME) funding for Covington and \$190,960 for the Northern Kentucky HOME Consortium. The estimated program income is \$117,106 in CDBG and \$68,148 in HOME for Covington and \$1,800 for Northern Kentucky HOME Consortium. Program income is generated through the repayment of loans made through the Home Owner Rehab Program, the Homeowner Repair Program, Homebuyer Assistance and loans made through the HOME Program to non-profits who are building or renovating homes for low to moderate income home owners. The carry-over which captures funds that were budgeted but not expended in the prior year's budget is estimated to be \$355,500 in CDBG and \$36,718 in HOME for Covington and \$50,000 for the NKY HOME Consortium. The budget reflects an estimated \$25,000 in payments received from economic

development projects that receive Section 108 loans, once the application is approved. This is in essence a pass through. The budget also includes income that is received through our non-cash HOME match, which comes to \$55,512.

Covington- NKY Consortium - Consolidated Plan and Continuum of Care Planning Tool



May 8, 2014  
Override 1



## Covington- NKY Consortium - Consolidated Plan and Continuum of Care Planning Tool

### 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 2013-2017 Consolidated Plan provides a framework to identify and prioritize housing and community development needs. Within this 5-year planning window 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 downpayment assistance, employee assisted housing,

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 governments, 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 streetscape.
- Support creation and retention of quality rental opportunities through the funding the production of rental units.

It is likely that within the 5-year term of this Consolidated Plan, other concerns and opportunities will be considered. The City and the Northern Kentucky HOME Consortium will make efforts to position their organizations to take advantage of these opportunities by developing core competencies in community development management and financing.

### **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 both staff and members of a focus group of key organization and community members. Feedback was received on areas of focus, location and administration. It was echoed with multiple voices that the jurisdiction needs to focus on the downtown core. A strong downtown can revitalize and be catalytic to all areas of the jurisdiction. It is important to condense progress and build on the momentum already gathered by pending and starting projects. This activity creates buzz and will encourage positive attention.

In addition, the reorganize of jurisdiction staff was critical to align services for a more holistic approach to community development. Where before code enforcement, recreation, infrastructure and economic development were all silo departments, combining under one umbrella department has created communication and project brainstorming that would not have otherwise occurred.

In addition it was noted that clarity and consistency with program guidelines would assist to streamline use and administration of the programs themselves. It is important to market consistent messaging to the community and members of the community who utilize the programs.

#### **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 HOME Consortium Consolidated Plan and Annual Action Plan. The public hearing notices were published in the Cincinnati Enquirer at least fourteen (14) days prior to 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.

Provisions were made to accept written comments from those not able to attend the public hearings 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 Kenton County Public Library (Covington branch), Campbell County Public Library (Newport branch), Housing Authorities of Covington, Dayton and Newport, the Campbell County Department of Housing, City of Covington Housing Development Department, the City Clerk's office of each member consortium city, and were also available 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 verbally, unless otherwise requested by the commenter, and within the Plan.

Copies of the Final Annual Action Plan will be made available for review at the Kenton County Public Library (Covington branch), Campbell County Public Library (Newport branch), 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 was also available 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 showing citizen participation comment and the responses.

## **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**

The jurisdiction is excited about the 2013-2017 Consolidated Plan and the 2014-2015 Action Plan. We took efforts to change the approach of this strategic effort and utilized best practices of other communities, resources at the local Field Office and the expertise of a new staffing structure. We feel that we have looked beyond the planning efforts of this federal funding to look at the jurisdiction's funding as a whole and how to more effectively utilize funding. We took into consideration future funding issues and administration concerns to shift our programming efforts for a more sustainable approach. We look forward to being in a more proactive situation.

**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		
HOPWA Administrator		
HOME Administrator		
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:

Natalie Gardner

Programs and Strategic Projects Manager

City of Covington, KY

859-292-2313

NGardner@covingtonky.gov

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

### **1. Introduction**

The lead agency responsible for administering programs covered by the 2013-17 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)).**

As administrators, the City of Covington DOD staff have executed the following:

-Maintain dialogue with the United Way

-Ludlow, Covington, Newport, Bellevue, and Dayton are participating members 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.

-Attend meetings of Continuum of Care as needed

-City of Covington was selected as one of three neighborhoods around Greater Cincinnati to participate in the planning phase of a place-based investment project which includes the United Way of Greater Cincinnati, the Greater Cincinnati Foundation, the SC Ministry Foundation and the Local Initiatives Support Corporation. Covington was chosen because it has a record of community building and cooperation and has the ability to manage high-level consensus building.

-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

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

The City of Covington attends meetings and offers assistance to the Continuum of Care as needed. It does not receive ESG funds nor does it administer HMIS.

**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**

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 work closely on housing issues. CGN runs the Place Matters Program which leverages funds from the United Way Place based funding and the Local Initiative Support Coalition.

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. The Executive Director attended the City's Focus Group meetings. HONK and the City work closely involving 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 be a part of the City's Focus Group meeting to decide how to spend federal funds in Covington. The City works closely with the Housing Authority on the HOPE VI process for the Eastside neighborhood in Covington.

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 works closely 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

<p><b>What section of the Plan was addressed by Consultation?</b></p>	<p>Housing Need Assessment  Non-Homeless Special Needs  Market Analysis  Economic Development  Anti-poverty Strategy</p>
<p><b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b></p>	<p>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). The Catalytic Fund is working toward becoming a Community Development Financial Institution. Its mission is to accelerate Northern Kentucky's urban renaissance through targeted investments in catalytic real estate development and redevelopment projects in urban neighborhoods. The organization was initiated by Vision 2015 to implement its Urban Renaissance initiative, one of the organization's "Power of Six" focus areas critical to regional economic competitiveness. The Catalytic Fund addresses the need for patient capital to support construction and/or rehabilitation of market rate housing and mixed-use real estate projects that are essential to the revitalization and repopulation of our urban communities. These projects and their sponsors are typically outside both private and public financing programs and traditional financial institutions are not flexible enough to provide these projects with sufficient capital. The Catalytic Fund provides capital via a \$10,000,000 investment fund to fill gaps between traditionally underwritten loans, developer's equity, and project costs. Although the Catalytic Fund expects its capital to be returned, it can be patient and flexible allowing time for the project to succeed.</p>

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 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 work closely with the Commission on Human Rights. The Commission Field Office Supervisor attended the Focus Group meetings. Ideas expressed were included in the Action Plan. One example of which is the greenspace.

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

<p><b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b></p>	<p>Coordinated with the NKY Health Department on Policy, environmental and system changes to identify and track the impact of chronic disease on our residents.</p>
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Table 2 – Agencies, groups, organizations who participated

**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 and HOME and CDBG funds in our communities, this objective is achieved.
Covington Housing Strategy	Center for Great Neighborhoods	The Housing Strategy is currently being developed in conjunction with existing plans as well as this 2013-2017 Consolidated Plan. Both plans stress that housing is a highly important economic development initiative. The 2013-18 Con Plan deals with the creation of affordable housing, the housing strategy stresses high quality housing that will lead to the revitalization of Covington, making it a place people choose to live. 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 the dwindling federal funds.

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
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 plan for Northern Kentucky. The City of Covington and the Northern Kentucky HOME Consortium have representation on Vision 2015, a community planning initiative that will define the future of Northern Kentucky by producing a 10-year strategic blueprint. Covington and the HOME Consortium help implement the Vision laid forth on March 31, 2006. One of the main tenets of Vision 2015's plan is to promote regionalism. The NKY HOME Consortium accomplishes this. Also Vision 2015 promotes housing especially in the river cities of which the HOME Consortium encompasses 5 out of 6 of those cities and is focused entirely on affordable housing.
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**

## **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**

As administrator, the City of Covington, wanted to ensure a holistic citizen participation process to ensure the programs and activities proposed indeed met community needs. Department of Development staff engaged citizen via e-blasts, social media, new articles, focus groups and traditional public needs hearings. These efforts resulted in one of most community involved Consolidated Planning processes to date. The process allowed an opportunity to educate citizen on these federal programs and the regulations that govern them. Through this education and multiple avenues to provide input positively impacted the goal-setting process by having contextual input from residents.

**Citizen Participation Outreach**

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (if applicable)
1	Internet Outreach	Non-targeted/broad community	The City's response to comments are 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)
2	Public Hearing	Non-targeted/broad community	35 people in attendance. The City's response to comments are 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 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.	

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 Kentucky Enquirer and Rivercity News	Non-targeted/broad community		Some articles described the Annual Action Plan process, encouraged citizens to attend the public hearing held on February 25, 2014 and encouraged all people to provide input to the City for the use of CDBG and HOME funds. Others provided information on the draft plans and goals of the funding. Articles are attached.		

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
4	Internet Outreach	Minorities  Non-English Speaking - Specify other language: Spanish  Persons with disabilities  LGBTQ	The City's response to comments are 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)
5	Focus Group	Partner organizations and stakeholders	The City's response to comments are 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.	

**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, carry-over, 108 Loan repayments. The new formula based entitlements for Program Year 2014-15 are \$1,420,110 in Community Development Block Grant (CDBG) funding and \$444,092 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 is \$117,106 in CDBG and \$69,948 in HOME. Program income is generated through the repayment of loans made through the Home Owner Rehab Program, the Homeowner Repair Program, Homebuyer Assistance and loans made through the HOME Program to non-profits who are building or renovating homes for low to moderate income home owners. The City of Covington and Northern Kentucky HOME Consortium anticipate carry-over of CDBG in the amount of \$355,500 and HOME in the amount of \$86,718. The City of Covington estimates \$25,000 in Section 108 repayments, once the application is 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	1,420,110	142,106	355,500	1,917,716	4,260,330	Funds not used by projects in prior years will be carried over into this program year to aid the demand for resources to support programs. Program income includes \$117,106 for housing loans, \$25,000 is estimated from 108 ED repayment. Expected amount available in remainder of Con Plan is entitlement for the remaining three program years.
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	444,092	69,948	86,718	600,758	1,332,276	This number has been cut severely the last few years, so it is hard to imagine that the estimate for the next three years will be correct.

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 and Northern Kentucky HOME Consortium are required to match HOME funds 12.5¢ for every dollar of HOME funding received. The City and Consortium are meeting this goal through volunteer labor provided by a Community Housing Development Organization (CHDO), Federal Home Loan Bank grants and mortgage revenue bonds issued by KHC.

**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 in the City of Covington that could be used for infill or greenspace. Infill and greenspace are both identified as needs in the community. The City also owns a historic school building (Lincoln Grant) that has sat vacant for several years, city leadership is looking into a Scholar House to be located here.

**Discussion**

**CDBG Program**

- Section 108 Economic Development Loan Repayment – \$25,000
- Public Improvements (Streets, Gutters, Curb Ramps) - \$278,000
- Public Facilities Senior Center - \$70,000 (Goebel Park \$50,000, Latonia Elementary \$20,000)
- Urban Agriculture - \$25,000
- Licking River Greenway - \$45,000
- BMX Trail - \$40,000
- Public Facilities (Senior Center) - \$150,000
- Code Enforcement Hardship Rehab/Repair - \$103,924
- Homeowner Repair - \$50,000
- Upper Floor Residential Rent Rehab Program/White Box Commercial - \$110,000
- Small Business Program (Business 1st Program)- \$50,000

- Economic Development Assistance (Xceligent ) - \$3,300
- Crime Prevention (City Heights) - \$50,000
- Crime Prevention Downtown Core (Cameras, On Street Officers) - \$100,000
- Recreation Programs - \$50,000
- Code Enforcement Program Staff - \$126,750
- Place Matters - \$35,000
- Program Staff - \$161,653
- Business Development Staff - \$96,646
- Relocation - \$30,000
- Interim Assistance - \$5,000
- Administration - \$312,443

**HOME Program – Covington**

- Homebuyer Assistance Program - \$205,533
- CHDO Development Projects - \$84,910
- Program Staff - \$35,426
- Administration - \$32,128

**HOME Program – Consortium Cities**

- Homebuyer Assistance Program - \$121,250
- CHDO Development Projects - \$28,914
- Non-CHDO Housing Development Activities - \$49,563
- Program Staff - \$23,756
- Administration - \$19,276

## 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: \$110,000	Rental units rehabilitated: 5 Household Housing Unit
2	Business 1st Grant Program	2013	2018	Non-Housing Community Development		All Programs	CDBG: \$50,000	Jobs created/retained: 8 Jobs Businesses assisted: 8 Businesses Assisted
3	Covington Homebuyer Assistance Program	2013	2018	Affordable Housing		All Programs	HOME: \$205,533	Direct Financial Assistance to Homebuyers: 20 Households Assisted
4	NKY HOME Consortium Homebuyer Assistance Program	2013	2018	Affordable Housing		All Programs	HOME: \$121,250	Direct Financial Assistance to Homebuyers: 24 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
7	Streets, Playgrounds, Greenspace	2013	2018	Non-Housing Community Development		All Programs	CDBG: \$458,000	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 30000 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
8	CDBG Administration	2013	2018	Affordable Housing Public Housing Homeless Non-Homeless Special Needs Non-Housing Community Development		All Programs	CDBG: \$312,443	
9	Public Facilities Senior Center	2013	2014	Non-Housing Community Development		All Programs	CDBG: \$150,000	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 6166 Persons Assisted
10	Code Enforcement Hardship Rehab/Repair	2013	2018	Affordable Housing Non-Homeless Special Needs		All Programs	CDBG: \$153,924	Homeowner Housing Rehabilitated: 14 Household Housing Unit
11	Economic Development Technical Assistance	2013	2018	Non-Housing Community Development		All Programs	CDBG: \$3,300	
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
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

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
14	Code Enforcement Staff	2013	2018	Affordable Housing Non-Housing Community Development		All Programs	CDBG: \$126,750	
15	Place Matters	2013	2018	Affordable Housing Non-Housing Community Development		All Programs	CDBG: \$35,000	Homeowner Housing Added: 1 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: \$161,653	
17	Business Development Staff	2013	2018	Non-Housing Community Development		All Programs	CDBG: \$96,646	Businesses assisted: 6 Businesses Assisted
18	Covington CHDO Development Projects	2013	2018	Affordable Housing		All Programs	HOME: \$84,910	Homeowner Housing Added: 1 Household Housing Unit
19	HOME Program Staff	2013	2018	Affordable Housing		All Programs	HOME: \$35,426	
20	HOME Administration	2013	2018	Affordable Housing		All Programs	HOME: \$32,128	

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
21	NKY HOME Consortium CHDO Development Projects	2013	2018	Affordable Housing		All Programs	HOME: \$78,477	Homeowner Housing Added: 1 Household Housing Unit
22	NKY HOME Consortium Program Staff	2013	2018	Affordable Housing		All Programs	HOME: \$23,756	
23	NKY HOME Consortium Administration	2013	2018	Affordable Housing		All Programs	HOME: \$19,276	
24	Relocation	2013	2018	Affordable Housing		All Programs	CDBG: \$30,000	Other: 1 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 support. 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>

2	<b>Goal Name</b>	Business 1st Grant Program
	<b>Goal Description</b>	This program will offer grant assistance to small businesses by offering them the flexibility to use the funds in a manner most necessary to them, such as rent reimbursement, professional services, equipment, etc, available within our downtown area. National objective of this program will be to create jobs made available to LMI individuals.
3	<b>Goal Name</b>	Covington Homebuyer Assistance Program
	<b>Goal Description</b>	Provides down payment assistance to homebuyers. Individuals must meet the LMI thresholds.
4	<b>Goal Name</b>	NKY HOME Consortium Homebuyer Assistance Program
	<b>Goal Description</b>	Provides down payment assistance to LMI homebuyers.
6	<b>Goal Name</b>	Section 108 ED Loan pool
	<b>Goal Description</b>	We will be leveraging our entitlement amount to borrow up to \$4 million to be available for a loan pool for economic development loans to eligible businesses who follow the ED Incentives process for selection. This expenditure will be covered by income from performing loans. The application has been submitted and we are waiting for approval.

7	<b>Goal Name</b>	Streets, Playgrounds, Greenspace
	<b>Goal Description</b>	<p>Funding will be used to for LMI area benefit for both infrastructure and leveraged playground and greenspace projects.</p> <ul style="list-style-type: none"> <li>• <u>Streets, gutters and curb ramps (\$278,000)</u> – The next cycle of 3-year street resurface schedule is included and the ADA curb ramps</li> <li>• <u>Goebel (\$50,000)</u> – This will support the make improvement to this gateway park. Neighborhood strategy meetings and prioritization will determine how best to leverage and utilize the funding.</li> <li>• <u>Latonia Elem (\$20,000)</u> - The school has a \$100,000 improvement plan for their playground. They were already awarded \$60,000 in other grant funds. This would be the city’s contribution.</li> <li>• <u>Urban Agriculture (\$25,000)</u> – These funds would support the activation of some of our vacant lots into community garden spaces and hopefully supply products to our Farmers Market and local businesses</li> <li>• <u>Licking River Greenway Phase 2 Construction (\$45, 000)</u> – Contribution toward the construction of Phase 2 of the Licking River Greenway adding paved trail length from Clayton-Meyer Park at Thomas Street to Austinburg Park at E 15th Street.</li> <li>• <u>BMX (\$40,000)</u> – This would support the supplies necessary to construct a BMX track in Latonia.</li> </ul>
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
9	<b>Goal Name</b>	Public Facilities Senior Center
	<b>Goal Description</b>	Partnership with Kenton County and other partners, this will be the City’s contribution toward providing services for seniors. Exact structure of the project has not been created.

10	<b>Goal Name</b>	Code Enforcement Hardship Rehab/Repair
	<b>Goal Description</b>	<p>The Code Enforcement Hardship Program will aid owner-occupied residents with assistance to make necessary repairs to remove code violations. The program includes a process for Code Enforcement staff to evaluate hardship cases, and include use restriction based on income eligibility and other factors, it is available citywide. The Code Enforcement Hardship Program will be funded at an amount of \$103,924.</p> <p>The Code Enforcement Hardship Rehab/Repair Program will also include a Homeowner Repair program at \$50,000 for support to residents for furnaces, plumbing repairs (mainly sewer laterals) and roof patching. This HO Repair Program will provide a maximum support of \$5,000 and should be matched with homeowner funding.</p>
11	<b>Goal Name</b>	Economic Development Technical Assistance
	<b>Goal Description</b>	These services provide access to a database to research business and property information.
12	<b>Goal Name</b>	Crime Prevention
	<b>Goal Description</b>	This projects provides crime prevention efforts above and beyond essential police coverage. Funding includes an agreement with the Housing Authority of Covington for officers in City Heights - \$50,000. Remaining funds will be used for crime prevention activities or tools for the downtown business district, located within the NRSA - \$100,000

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 Hardship Program
15	<b>Goal Name</b>	Place Matters
	<b>Goal Description</b>	City's contribution toward the Place Matters Program in partnership with CGN and United Way
16	<b>Goal Name</b>	CDBG Program Staff
	<b>Goal Description</b>	
17	<b>Goal Name</b>	Business Development Staff
	<b>Goal Description</b>	Staff will handle the Business Retention Program and aid in the implementation of the Small Business 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.
19	<b>Goal Name</b>	HOME Program Staff
	<b>Goal Description</b>	Staff will handle the implementation of the Housing Programs and inspection of the Development Projects
20	<b>Goal Name</b>	HOME Administration
	<b>Goal Description</b>	Staff will handle all monitoring, reporting, required reviews and financial management

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.  CHDO Specific Development Projects - \$28,914. Non-CHDO Development Projects - \$49,563
22	<b>Goal Name</b>	NKY HOME Consortium Program Staff
	<b>Goal Description</b>	Staff will handle the implementation of the Housing Programs and inspection of the Development Projects
23	<b>Goal Name</b>	NKY HOME Consortium Administration
	<b>Goal Description</b>	Staff will handle all monitoring, reporting, required reviews and financial management
24	<b>Goal Name</b>	Relocation
	<b>Goal Description</b>	Relocation funding assists with the expenses incurred while a property is under renovation or where it is necessary to relocate a homeowner during a repair.
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.



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

### Introduction

The Annual Action Plan includes a budget which encompasses revenue from four sources. These include new formula based entitlements, program income, carry-over, and 108 Loan repayments. The new formula based entitlements are \$1,420,110 in Community Development Block Grant (CDBG) funding and \$253,132 in Home Investment Partnerships (HOME) funding for Covington and \$190,960 for the Northern Kentucky HOME Consortium. The estimated program income is \$117,106 in CDBG and \$68,148 in HOME for Covington and \$1,800 for Northern Kentucky HOME Consortium. Program income is generated through the repayment of loans made through the Home Owner Rehab Program, the Homeowner Repair Program, Homebuyer Assistance and loans made through the HOME Program to non-profits who are building or renovating homes for low to moderate income home owners. The carry-over which captures funds that were budgeted but not expended in the prior year's budget is estimated to be \$355,500 in CDBG and \$36,718 in HOME for Covington and \$50,000 for the NKY HOME Consortium. The budget reflects an estimated \$25,000 in payments received from economic development projects that receive Section 108 loans, once the application is approved. This is in essence a pass through. The budget also includes income that is received through our non-cash HOME match, which comes to \$55,512.

#	Project Name
27	Housing Development Activities

Table 3 – Project Information

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

Some programs are dedicated to a specific target area which is the CDBG Neighborhood Revitalization Strategy (NRSA), which includes the Downtown Business District and Center City Action Plan areas.

Assistance using CDBG funds for efforts that meet the low-mod area objective are always directed towards areas with low to moderate incomes and also areas with minority concentrations. Based on the distribution of household income for the City of Covington, 71% of the total households are considered to be low to moderate income as defined by the Department of Housing and Urban Development. When looking at median household incomes, Interstate I-275 is a major dividing line. Median incomes south of I-275 range from \$57,000 to \$69,000 while north of the freeway incomes are in the \$20,000 to \$30,000 range.

An area of minority concentration is defined as a census tract with a minority population above 10 percent of the city average. As a whole, the City's population is 82.3% White and 17.7% Minority. The highest percentage of minorities in Covington live in Census Tract 671 where the African-American population makes up 60% of the total. This eastside tract has historically been the home of the African-American community in Covington. Partly due to their typically lower incomes and higher poverty rates,

minority households generally have more problems with cost burden and other housing problems than households as a whole. Census Tract 671 is included in the NRSA and the Center City Action Plan area.

## AP-38 Project Summary

### Project Summary Information

<b>1</b>	<b>Project Name</b>	Housing Development Activities
	<b>Target Area</b>	
	<b>Goals Supported</b>	NKY HOME Consortium CHDO Development Projects
	<b>Needs Addressed</b>	All Programs
	<b>Funding</b>	HOME: \$49,563
	<b>Description</b>	Funds for the creation of affordable housing through either rehabilitation or new construction.
	<b>Target Date</b>	
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	The HOME funds will be used to create affordable housing for 1 family.
	<b>Location Description</b>	The project using NKY HOME Consortium HOME funds will take place in the City of Ludlow, Newport, Bellevue or Dayton, KY.
	<b>Planned Activities</b>	Funds provided for the development of housing in the cities of Ludlow, Newport, Bellevue, Dayton. Upon completion, the units will be sold, rented or occupied as part of a lease/purchase program

**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 the section of Covington south of Interstate 275. In the HOME Consortium, the entire cities of Ludlow, Newport, Bellevue and Dayton are eligible for Homebuyer Assistance using HOME funds.

**Geographic Distribution**

Target Area	Percentage of Funds

**Table 5 - Geographic Distribution**

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

The City of Covington will target the Downtown/Core Target Area for the Upper Floor Residential Rental Rehab Program and the Small Business Program. Too many storefronts in the Downtown are empty. The City has determined this target area to make an impact because of the economic benefits and the benefit of having people inhabiting the downtown and patronizing local businesses. The idea is to have a ripple effect that makes Covington as a city more desirable. The Downtown is the face and gateway to the entire city. Public Service dollars will also be spent in the downtown for anti-crime efforts to coincide with these efforts.

The Small Business Program will offer grant assistance to small businesses by offering them flexibility to use the funds in a manner most necessary to them. The Program will be targeted to the downtown/ Renaissance Covington area. This is the commercial area, the downtown core, the NRSA, and the target of many Strategic Plans. This area in the upcoming year will be the recipient of other city, state and federal funding. The City finds this focused approach the best and most productive use of these funds.

The other Anti-Crime funding will fund police presence in the City Heights Public Housing development. The Housing Authority of Covington has requested this funding because of a high crime rate.

### **Discussion**

## Affordable Housing

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

#### Introduction

In Kentucky, the Fair Market Rent (FMR) for a two-bedroom apartment is \$660. In order to afford this level of rent and utilities – without paying more than 30% of income on housing – a household must earn \$2,199 monthly or \$26,393 annually. Assuming a 40-hour work week, 52 weeks per year, this level of income translates into a **Housing Wage of \$12.69**.

In Kentucky, a minimum wage worker earns an hourly wage of \$7.25. In order to afford the FMR for a two-bedroom apartment, a minimum wage earner must work 70 hours per week, 52 weeks per year. Or a household must include 1.8 minimum wage earners working 40 hours per week year-round in order to make the two-bedroom FMR affordable.

In Kentucky, the estimated mean (average) wage for a renter is \$11.00. In order to afford the FMR for a two-bedroom apartment at this wage, a renter must work 46 hours per week, 52 weeks per year. Or, working 40 hours per week year-round, a household must include 1.2 workers earning the mean renter wage in order to make the two-bedroom FMR affordable.

HOME funds are used to assist low-income homebuyers through the Homebuyer Assistance Program, CHDO development activities and Housing Development Activities.

The City of Covington and the Northern Kentucky HOME Consortium do not use HOME funds as other forms of investment not included in 24 CFR 92.205(b).

<b>One Year Goals for the Number of Households to be Supported</b>	
Homeless	0
Non-Homeless	62
Special-Needs	0
Total	62

**Table 6 - One Year Goals for Affordable Housing by Support Requirement**

<b>One Year Goals for the Number of Households Supported Through</b>	
Rental Assistance	0
The Production of New Units	0
Rehab of Existing Units	18
Acquisition of Existing Units	44
Total	62

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

### **Discussion**

Under the Homebuyer Assistance program, the City of Covington and the HOME Consortium have established housing affordability parameters which are consistent with the housing debt to income ratio permitted by private lenders. Based upon these affordability guidelines, qualified low-income homebuyers may still be unable to afford to purchase a house. Covington and the HOME Consortium will provide subsidies to qualified purchasers in the following way:

In order to make the monthly carrying costs of principal, interest, property taxes and insurance (PITI) affordable to the homebuyer, Covington and the HOME Consortium will use HOME funds to subsidize units by providing gap financing to make the monthly PITI affordable. This subsidy will be secured by a no-interest mortgage on the property made to the benefit of the Covington and the HOME Consortium.

Covington and the HOME Consortium require that a second mortgage covering the amount of the HOME subsidy be recorded against the property. In cases where the eligible homebuyer does not hold the property as a principal residence for the required period of affordability, Covington and the HOME Consortium use a recapture provision to assure that HOME funds are recaptured and used to assist other low-income homebuyers. The period of affordability is 10 years. The HOME Consortium requires that appraisals be conducted which establish fair market values of properties being subsidized with HOME funds. Covington and the HOME Consortium also require that the individuals receiving homebuyer assistance participate in a Covington/Consortium-approved homeownership preparation program.

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. They are primarily homeownership but there may be lease-purchase projects.

In PY 2014, the Northern Kentucky HOME Consortium will utilize funds for Housing Development Activities for the creation of one affordable housing unit. The entity using these funds will not be bound to the CHDO requirements.

The CDBG Code Enforcement Hardship Program/Repair Program will assist the rehab of 14 housing units.

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

### **Introduction**

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

##### **Academy Flats**

Academy Flats, which is located in the Peaselburg neighborhood, was an opportunity to convert a former school that was beginning to have a blighted influence into an asset to the community providing quality housing for our seniors and allowing them to age in place in the neighborhood. Academy Flats consists of 24 one bedroom apartments.

##### **Eastside Revitalization**

Upon demolition of Jacob Price Homes, Eastside Revitalization offered the Housing Authority an opportunity to build replacement housing in the surrounding neighborhood. This removed units that had a blighted influence on the East Side and replaced them with renovated units that are competitive in today's market.

##### **New Site Properties**

New Site Properties is a 19 unit scattered site development that is being funded by a \$1,750,000 loan from the City of Covington as part of the Neighborhood Stabilization Program. This development is part of the larger overall Hope VI project awarded to the Housing Authority of Covington. The majority of the properties consist of the Brighton Row II properties which was a failed LIHTC project. This development will continue the goal of the Housing Authority of Covington in revitalizing community neighborhoods by rehabbing and maintaining quality housing stock in the City of Covington.

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

**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**

There are many programs that will be using McKinney-Vento Homeless Assistance. Transitions, Inc. will use McKinney-Vento funds for three programs.

Transitions Willow Run Project, Transitions Affordable Housing Project, and the Transitions Homeless Services Project. The Willow Run Project provides transitional housing to homeless individuals in Covington. The Affordable Housing Project 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. The Homeless Services Project is a services-only project based in Covington that provides transitional housing with intensive case management, outreach, employment services, psychiatric nursing services, mental health case management, and life skills assistance. NorthKey Community Care will use McKinney-Vento funds for its NorthKey Rental Subsidy Program which is a permanent housing program for homeless and disabled. Permanent housing is a top priority for this region.

Welcome House of Northern Kentucky, Inc. will use McKinney-Vento funds for 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.

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

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

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.

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

There are many programs that will be using McKinney-Vento Homeless Assistance. Transitions, Inc. will use McKinney-Vento funds for three programs. Transitions Willow Run Project will use \$165,598,

Transitions Affordable Housing Project will use \$89,793, and the Transitions Homeless Services Project \$241,280. The Willow Run Project provides transitional housing to homeless individuals in Covington. The Homeless Services Project is a services-only project based in Covington that provides 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**

The Affordable Housing Project 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 will use \$187,820 for its NorthKey Rental Subsidy Program which is a permanent housing program for homeless and disabled. Permanent housing is a top priority for this region. Welcome House of Northern Kentucky, Inc. will use \$478,289 for 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.**

#### Housing Choice Voucher Program

The City of Covington's Housing Consortium administers the Section 8 Housing Choice Voucher Program for all of Kenton County which is inclusive of the Covington City limits and the HOME Consortium city of

Ludlow. The Program assists low income households with their rent. Participants pay 30 – 40 percent of their income toward the rent and the Program pays the remainder. Housing Department staff insures that the units meet current code standards, that the rents are comparable to other units in the market place and verify the information provided by participating households. However the Department maintains an inventory of properties that because of their financing are able to provide below market rents and this is provided to households seeking assistance with their rent.

The Newport Housing Authority (Neighborhood Foundations) administers Housing Choice Vouchers vouchers for the City of Newport and Bellevue. The Housing Department of Campbell County administers Housing Choice vouchers for the rest of Campbell County and Pendleton County.

### Public Housing

The Housing Development Department as part of the consortium with the Housing Authority of Covington operates three family sites and two elderly sites. Additionally, the governing board of HAC includes a resident member. All members of the Board are appointed by the Covington's Mayor.

The Newport Housing Authority operates 357 units in 6 sites. The Housing Authority of Dayton operates 45 units at one site.

### Family Self-Sufficiency

The City of Covington's Housing Consortium administers a Family Self-Sufficiency Program. The Coordinator for the Program works with households to develop and implement a self-sufficiency plan which includes budget counseling, credit repair, and looking at educational and career opportunities. Adjunct to this Program is the City's Section 8 to Homeownership Program. This initiative builds on the Family Self-Sufficiency Program with the specific intention of helping the participating households purchase a home.

The Newport Housing Authority (Neighborhood Foundations) and Campbell County Department of Housing also run Family Self Sufficiency Programs. Newport Housing Authority also runs a Section 8 to Homeownership Program.

## **Discussion**

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.

<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 affect 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**

## Zoning/Building Code

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, nor 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.

## Anti-Displacement

Covington, as Lead Entity of the HOME Consortium, complies with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended. This plan requires Covington to minimize any adverse impacts to low- and moderate-income residents affected by our development activities.

## Public Policy

Every member city of the HOME Consortium has adopted the Uniform Residential Landlord and Tenant Act (URLTA). It is intended to provide statutory protection for the landlord and tenant and encourage them to better maintain and improve the quality of housing. The Act prohibits any legislation by counties and cities which deal with landlord tenant matters, except the provisions in the Act.

## Homebuyer Education

Covington and other cities in the HOME Consortium work with Brighton Center in Newport, KY, who administers the “Yes You Can” Program which provides nine hours of pre-purchase, credit and budget counseling to households interested in purchasing a home. The Covington Housing Consortium and Housing Authority also provide housing and financial counseling through its Family Self-Sufficiency Program. If not properly educated, minorities, seniors and low-income persons can become victims of predatory lending practices. Catholic Charities in Covington administers a homebuyer education class through the NeighborWorks. These services are also made available in Spanish.

## Discussion

The City of Covington/Northern Kentucky HOME Consortium conducted a new Analysis of Impediments in the 2013-14 Program Year to complement the 2013-17 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 through 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 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**

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

Obstacles to meeting underserved needs have been identified. These obstacles are 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.

The Northern Kentucky HOME Consortium has identified affordable housing as an underserved need in the community. To this end the HOME Consortium offers a Homebuyer Assistance Program for its member cities. The City of Newport, through the Housing Authority of Newport, also has a homebuyer program of its own in certain low-income areas of its city. Now the other areas encompassed by the HOME Consortium have better access to decent, affordable housing.

Covington is designated as one of three “place based” neighborhoods by a funding collaborative consisting of the United Way, SC Ministries, the Greater Cincinnati Foundation, and LISC. The designation has resulted in a comprehensive look at Covington’s Eastside through the eyes of residents, business leaders and community institutions. This process has resulted in a focus on improving education, housing conditions and promoting resident based initiatives.

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

HOME funds are used to assist low-income homebuyers through the Homebuyer Assistance Purchase Program and CHDO development activities. CDBG and HOME funds will be used for Housing Development Activities to develop affordable housing in Covington and HOME Consortium.

Under the Homebuyer Assistance program, the City of Covington and the HOME Consortium have established housing affordability parameters which are consistent with the housing debt to income ratio permitted by private lenders. Based upon these affordability guidelines, qualified low-income homebuyers may still be unable to afford to purchase a house.

Covington and the HOME Consortium require that a second mortgage covering the amount of the HOME subsidy be recorded against the property. In cases where the eligible homebuyer does not hold the property as a principal residence for the required period of affordability, Covington and the HOME Consortium use a recapture provision to assure that HOME funds are recaptured and used to assist other low-income homebuyers. The period of affordability is 10 years. The HOME Consortium requires that appraisals be conducted which establish fair market values of properties being subsidized with HOME funds. Covington and the HOME Consortium also require that the individuals receiving

homebuyer assistance participate in a Covington/Consortium-approved homeownership preparation program.

Through CHDO development activities, the City provides loans to designated CHDOs. The City currently works with three CHDOs: Center for Great Neighborhoods, Housing Opportunities of Northern Kentucky, and a newly formed CHDO in Campbell County, Entryway, Inc. Three of the river cities participating in the HOME consortium are located in Campbell County.

Homes redeveloped by the CHDO using HOME funds are sold to income eligible buyers. The HOME funds assist in writing down the purchase price by providing gap funds to cover the difference between the appraised value and the affordable mortgage. The funds are secured using a recapture provision to assure the HOME funds are recaptured and used to assist other HOME-eligible activities if the home is sold or is no longer occupied during the affordability period of 10 years. This is accomplished through a second mortgage. The City is repaid through the sale of the unit utilizing the first mortgage financing. Covington does not allow CHDOs to retain CHDO proceeds. Many times the development cost of the homes exceed the appraised value, the “development subsidy” is not subject to repayment or recapture. The homes may also become lease-purchase through agreement between the HOME Consortium and the CHDO.

For projects utilizing HOME funds for 5 or more HOME-assisted units, advertising in newspapers, radio and television is utilized to widely market the housing units. Additionally, information is maintained on the websites of the organizations, if applicable. Information is made available about the homes to area organizations such as nonprofit organizations, churches, other community organizations, particularly those organizations located in minority neighborhoods or who serve populations that may be unaware or typically not likely to apply for housing.

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

#### Lead Based Paint Policy

All homes that were built 1978 or before:

Homebuyer Program - Identify and stabilize deteriorated paint thru Notification, Visual Assessment, Paint Stabilization utilizing Safe work practices and obtaining Clearance when work is complete by a Contractor with RRP certification.

Rehabilitation Program - 1) \$5,000 Do no harm thru Notification, Presuming lead-based paint, Use safe work practices on all surfaces and obtaining Clearance when work is complete by a Contractor with RRP certification. 2) \$5,000 - \$25,000 Identify and control lead hazards thru Notification, Presuming lead-based paint, Use standard treatments and obtaining Clearance when work is complete by a Contractor with RRP certification. 3) > \$25,000 Identify and abate lead hazards thru Notification, Paint Testing and Risk Assessment, Abatement and obtaining Clearance when work is complete by a licensed Lead

Abatement Contractor.

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

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

### Family Self-Sufficiency

The City of Covington's Section 8 Program administers a Family Self-Sufficiency Program. The Coordinator for the Program works with households to develop and implement a self-sufficiency plan which includes budget counseling, credit repair, and looking at educational and career opportunities. Currently there are 36 households enrolled in the Program. Adjunct to this Program is the City's Section 8 to Homeownership Program. This initiative builds on the Family Self-Sufficiency Program with the specific intention of helping the participating households purchase a home.

The Newport Housing Authority and Campbell County Department of Housing administer Family Self Sufficiency Programs. Newport Housing Authority also runs a Section 8 to Homeownership Program. The Campbell County Department of Housing is working on starting a Section 8 to Homeownership Program.

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

The City of Covington is a participating jurisdiction under the HOME program and the only one in Northern Kentucky. In the past, the cities of Ludlow, Newport, Bellevue and Dayton had to compete at the state level in order to obtain HOME funding. On March 1, 2007, the Mayors of these cities sent a letter notifying HUD of our intent to form a HOME Consortium. An Interlocal Cooperation Agreement was entered into and sent to HUD with all the required documentation on June 30, 2007, with a rolling continuation clause. HUD approved the formation of the Consortium on September 24, 2007. The creation of this Consortium allows HOME funds to come directly into these communities. This HOME Consortium remains the only one in Kentucky. The first year of the third term of operating under a new Interlocal Agreement will be the 2014-15 Program Year. It is anticipated that the programs operated within these communities will continue to be successful.

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. The current Board members are Ludlow – Mayor Ken Wynn, Covington – Councilwoman Sherry Carran (Board Chair), Newport – Mayor Jerry Peluso, Bellevue – Mayor Ed Riehl (Board Vice Chair), and Dayton – Councilwoman Penny Hurtt. The Northern Kentucky HOME Consortium Board meets every month on the third Thursday. 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, the Covington City Commission ultimately approves all funding decisions.

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

- Meet with the Covington Neighborhood Collaborative. Their meetings are monthly. The Covington Neighborhood Collaborative does quarterly presentations to the City Commission, which helps facilitate communication and collaboration.
- Maintained dialogue with the United Way.
- The City of Covington and the Northern Kentucky HOME Consortium have representation on Vision 2015, a community planning initiative that will define the future of Northern Kentucky by producing a 10-year strategic blueprint. Covington and the HOME Consortium help implement the Vision. Vision 2015 is currently doing nother visioning process for the next five year plan.
- Meet on an annual basis with local banking community and local realtor community.
- Participate in the Covington Housing Summit held by the Catalytic Development Fund of Northern Kentucky. These meetings bring together key stakeholders to develop a unified strategy towards investment and targeting funds for affordable and market rate housing in Covington.
- The City of Covington has a Center City Action Plan and a Five Year Community Investment Plan that act as strategic guiding documents for redevelopment policy and environment changes.
- In 2006, the City of Covington was selected as one of three neighborhoods around Greater Cincinnati to participate in the planning phase of a place-based investment project, which includes the United Way of Greater Cincinnati, the Greater Cincinnati Foundation, the SC Ministry Foundation and the Local Initiatives Support Corporation. Covington was chosen because it has a record of community building and cooperation and has the ability to manage high-level consensus building.
- Reviewed Programs and Plans with Covington Human Rights Commission.

## **Discussion**

## Program Specific Requirements

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

#### Introduction

#### Community Development Block Grant Program (CDBG) Reference 24 CFR 91.220(I)(1)

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

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

#### Other CDBG Requirements

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

The Homebuyer Assistance loans provided by the City of Covington and Northern Kentucky HOME Consortium are a lien on the property behind the primary mortgage that the buyer acquires.

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:

A second lien is placed on the property behind the primary mortgage in the form of a 0% deferred payment loan. The loan is repaid in a lump sum upon the sale, transfer or vacating of the property. The HOME Consortium only requires repayment of the net proceeds, if any.

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:

The City of Covington and Northern Kentucky HOME Consortium utilize the recapture option to preserve the affordability and availability of the HOME-assisted homebuyer unit to low-income households for the entire period of affordability. The Period of Affordability used is 10 years. The HOME Consortium Cities recapture the entire amount. Beginning this year in Covington, after every year, 1/10 of the loan is forgiven. If the buyer lives there after 10 years, the loan is forgiven. At any time during the period of affordability if the buyer sells, transfers or vacates the property, the entire amount is recaptured. At any time during the period of affordability, the buyer may sell the property to an income eligible buyer and the buyer can take over the loan and continue on from that point in the period of affordability.

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



