

City of Covington & Northern Kentucky HOME Consortium

Program Year 2014-2015 Consolidated Annual Performance Evaluation Report

CR-05 - Goals and Outcomes

Progress the jurisdiction has made in carrying out its strategic plan and its action plan. 91.520(a)

This could be an overview that includes major initiatives and highlights that were proposed and executed throughout the program year.

During Program Year 2014-15, the City continued to work towards accomplishing the goals outlined in the strategic plan and annual action plan. These goals were addressed by starting and completing new projects, finishing outstanding projects from previous years, continuing long-term/large-scale projects as well as increasing planning efforts for future projects. Below is a summary of program year accomplishments:

- Completed 16 homeowner rehabs. These programs addressed home repair needs for very-low income homeowners, giving priority to elderly, disabled and veteran households.
- Completed 7 Upper Floor Residential Rent rehab units. This program created new affordable rental units in previously vacant upper floor space of mixed-use buildings in the City's urban core.
- The City completed 2 CHDO rehabs in Covington and Newport. These rehabbed properties created new homeownership opportunities for low-income households.
- The Homebuyer Assistance Program created 59 new low-income homeowners by providing deferred/forgivable loans to cover lender required down payment and closing costs. Virtually all of the budgeted funds for this program were utilized which supported the City's efforts to increase homeownership in all of the HOME Consortium cities.
- Public improvement efforts occurred including: street improvements and installation of ADA ramps, waterline pressure improvements on Russell Street and completion of the Caroline Avenue underpass.

- The Department of Development continued to update and improve our policies and procedures, including increasing efficiencies, improving our communication and collaboration efforts and following up on execution of tasks. The vacant Grants Administrator position was filled by the former CDBG/HOME Program Coordinator and that position was filled by the former HOME Consortium Coordinator. This increased efficiency and established clearer roles and separation of duties.
- The Department continued to implement strategies to address the Analysis of Impediments to Fair Housing Choice (AI). The AI serves as our basis for fair housing planning, and provides essential information in building public support for fair housing efforts.
- The City continued to promote redevelopment efforts in the Neighborhood Revitalization Strategy Area (NRSA). This NRSA allows enhanced flexibility in undertaking economic development, housing and public service activities with our CDBG funds.
- The City continued to implement crime prevention efforts in the downtown core and in targeted public housing complexes, providing increased police presence in these targeted areas.
- There were two large scale playground improvement projects, driven by neighborhood involvement. Latonia Elementary Community Playground project engaged residents and students. In Goebel Park, a community group called "Make Goebel Great" created a vision and leveraged volunteer support and grant funding to give this UPARR park a complete new look.
- In 2014 the City was approved for a \$4 million Economic Development Loan Pool dedicated to assist businesses who will create jobs made available to low-moderate income individuals.

These accomplishments furthered the goals established in our strategic plans. City staff, in collaboration with the Louisville Field Office and our other partner agencies will continue to be diligent to further promote these goals in future program years.

Comparison of the proposed versus actual outcomes for each outcome measure submitted with the consolidated plan and explain, if applicable, why progress was not made toward meeting goals and objectives. 91.520(g)

Categories, priority levels, funding sources and amounts, outcomes/objectives, goal outcome indicators, units of measure, targets, actual outcomes/outputs, and percentage completed for each of the grantee's program year goals.

| Goal | Category | Source / Amount | Indicator | Unit of Measure | Expected – Strategic Plan | Actual – Strategic Plan | Percent Complete | Expected – Program Year | Actual – Program Year | Percent Complete |
|--|--|-----------------|---|------------------------|---------------------------|-------------------------|------------------|-------------------------|-----------------------|------------------|
| Business 1st Grant Program | Non-Housing Community Development | CDBG: \$ | Jobs created/retained | Jobs | 10 | 17 | 170.00% | 8 | 0 | 0.00% |
| Business 1st Grant Program | Non-Housing Community Development | CDBG: \$ | Businesses assisted | Businesses Assisted | 15 | 4 | 26.67% | 8 | 0 | 0.00% |
| Business Development Staff | Non-Housing Community Development | CDBG: \$ | Businesses assisted | Businesses Assisted | 30 | 100 | 333.33% | 6 | 100 | 1,666.67% |
| Code Enforcement Hardship Rehab/Repair | Affordable Housing Non-Homeless Special Needs | CDBG: \$ | Homeowner Housing Added | Household Housing Unit | 0 | 0 | | | | |
| Code Enforcement Hardship Rehab/Repair | Affordable Housing Non-Homeless Special Needs | CDBG: \$ | Homeowner Housing Rehabilitated | Household Housing Unit | 75 | 14 | 18.67% | 14 | 14 | 100.00% |
| Code Enforcement Staff | Affordable Housing Non-Housing Community Development | CDBG: \$ | Housing Code Enforcement/Foreclosed Property Care | Household Housing Unit | 15827 | 34210 | 216.15% | | | |

| | | | | | | | | | | |
|---|--|----------|--|------------------------|------|------|---------|------|------|---------|
| Covington CHDO Development Projects | Affordable Housing | HOME: \$ | Homeowner Housing Added | Household Housing Unit | 5 | 2 | 40.00% | 1 | 1 | 100.00% |
| Covington Homebuyer Assistance Program | Affordable Housing | HOME: \$ | Homeowner Housing Added | Household Housing Unit | 0 | 0 | | 0 | | |
| Covington Homebuyer Assistance Program | Affordable Housing | HOME: \$ | Direct Financial Assistance to Homebuyers | Households Assisted | 120 | 76 | 63.33% | 24 | 34 | 141.67% |
| Crime Prevention | Non-Housing Community Development | CDBG: \$ | Public service activities other than Low/Moderate Income Housing Benefit | Persons Assisted | 6895 | 6895 | 100.00% | 6895 | 6895 | 100.00% |
| Interim Assistance | Affordable Housing Non-Housing Community Development | CDBG: \$ | Other | Other | 100 | 54 | 54.00% | 5 | 5 | 100.00% |
| NKY HOME Consortium CHDO Development Projects | Affordable Housing | HOME: \$ | Homeowner Housing Added | Household Housing Unit | 5 | 2 | 40.00% | 1 | 1 | 100.00% |

| | | | | | | | | | | |
|--|--|----------|---|------------------------|-------|-------|---------|-------|-------|---------|
| NKY HOME Consortium Homebuyer Assistance Program | Affordable Housing | HOME: \$ | Homeowner Housing Added | Household Housing Unit | 0 | 0 | | 0 | | |
| NKY HOME Consortium Homebuyer Assistance Program | Affordable Housing | HOME: \$ | Direct Financial Assistance to Homebuyers | Households Assisted | 100 | 42 | 42.00% | 20 | 25 | 125.00% |
| Place Matters | Affordable Housing Non-Housing Community Development | CDBG: \$ | Homeowner Housing Added | Household Housing Unit | 5 | 2 | 40.00% | 1 | 1 | 100.00% |
| Public Facilities Senior Center | Non-Housing Community Development | CDBG: \$ | Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit | Persons Assisted | 6166 | 0 | 0.00% | 6166 | 0 | 0.00% |
| Recreation Programs | Non-Homeless Special Needs Non-Housing Community Development | CDBG: \$ | Public service activities other than Low/Moderate Income Housing Benefit | Persons Assisted | 29828 | 29828 | 100.00% | 29828 | 29828 | 100.00% |
| Relocation | Affordable Housing | CDBG: \$ | Other | Other | 10 | 1 | 10.00% | 1 | 0 | 0.00% |

| | | | | | | | | | | |
|--|-----------------------------------|----------|---|------------------------|-------|-------|---------|-------|-------|---------|
| Section 108 ED Loan pool | Non-Housing Community Development | CDBG: \$ | Jobs created/retained | Jobs | 0 | 0 | | 1 | 0 | 0.00% |
| Section 108 ED Loan pool | Non-Housing Community Development | CDBG: \$ | Businesses assisted | Businesses Assisted | 25 | 0 | 0.00% | 1 | 0 | 0.00% |
| Section 108 Hope VI Repayment | Non-Housing Community Development | CDBG: \$ | Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit | Persons Assisted | 40640 | 0 | 0.00% | | | |
| Streets, Playgrounds, Greenspace | Non-Housing Community Development | CDBG: \$ | Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit | Persons Assisted | 29828 | 40640 | 136.25% | 30000 | 40640 | 135.47% |
| Streets, Playgrounds, Greenspace | Non-Housing Community Development | CDBG: \$ | Public service activities other than Low/Moderate Income Housing Benefit | Persons Assisted | 0 | 0 | | | | |
| Upper Floor Residential Rent Rehab Program | Affordable Housing | CDBG: \$ | Rental units rehabilitated | Household Housing Unit | 15 | 9 | 60.00% | 5 | 7 | 140.00% |

Table 1 - Accomplishments – Program Year & Strategic Plan to Date

Assess how the jurisdiction’s use of funds, particularly CDBG, addresses the priorities and specific objectives identified in the plan,

giving special attention to the highest priority activities identified.

The City, through its use of the CDBG funds, prioritizes public needs by focusing on three main objectives:

- ***Providing decent/affordable housing*** - We accomplish this by providing affordable housing and preserving the City's current housing stock. Activities are designed to rehabilitate existing housing while respecting their historic character. Where possible, the housing stock is being expanded by new construction and adaptive reuse of non-residential structures for housing purposes. To meet this priority the City administered the following programs: Code Enforcement Hardship Repair Program, Upper Floor Residential Rental Rehab Program, Homeowner Repair Program and Homebuyer Assistance Programs. The goal of creating a Public Activities Senior Center was not met. These resources were re-allocated to the Lincoln Grant/Scholar House Project which will create 45 affordable rental units in the former Lincoln Grant School building. This project will take place in Program Year 2015.
- ***Creating a suitable living environment*** - The City focuses on the elimination of conditions that are harmful to health, safety, and public welfare. The providing of needed public services is being expanded as resources allow. Efforts are being made to eliminate social and economic isolation. Utilizing programs developed by local nonprofits, special efforts are directed towards the elderly, single parent families, and the youth of our community. These efforts include recreation programs and after school programs. To meet this priority the City administered: Recreation Programs in the form of Summer Youth Program and the Aquatic Program; Crime Prevention Activities; and Public Improvement Projects like the Caroline Underpass, street resurfacing, streetscape improvements and playground improvements.
- ***Expansion of economic opportunities*** - Activities are undertaken to create jobs through the expansion and retention of businesses. Economic opportunities can occur through preservation and growth of existing businesses and the recruitment and development of new businesses including small or micro enterprises. The limited supply of raw land available for business expansion requires prudent planning and flexible land use control. To meet this priority the City administered: Economic Development technical assistance programs, Business Retention Programs, database services, and initiation of a Section 108 Economic Development Loan Pool approved in 2014. The City did not meet proposed stated goals for the Business 1st Grant Program. This program was eliminated and resources were re-allocated to other priority projects. Potential projects are currently being reviewed for the Section 108 ED Loan Pool that will occur in Program Year 2015.

Based on public input, providing decent and affordable housing and creating suitable living environments were the main priorities of the community. Therefore, additional funding and staff time were dedicated to programs under these two priorities.

CR-10 - Racial and Ethnic composition of families assisted

Describe the families assisted (including the racial and ethnic status of families assisted).

91.520(a)

| | CDBG | HOME |
|---|---------------|-----------|
| White | 33,574 | 58 |
| Black or African American | 4,872 | 3 |
| Asian | 205 | 0 |
| American Indian or American Native | 122 | 0 |
| Native Hawaiian or Other Pacific Islander | 41 | 0 |
| Total | 38,814 | 61 |
| Hispanic | 1,474 | 0 |
| Not Hispanic | 37,340 | 61 |

Table 2 – Table of assistance to racial and ethnic populations by source of funds

Narrative

The City has increased its outreach efforts in an attempt to increase minority participation in our programs. CDBG programs are utilized more often by minorities, especially African Americans than were our HOME programs. 5 of 14 CDBG homeowner repair program loans were awarded to African American households. Only 3 of 61 HOME program loans were awarded to African American households. There was no participation by Hispanic households in our HOME programs. HOME program activities are predominantly homeownership programs, therefore participation is based on families that are pursuing homeownership. The City has created a quarterly focus group made up of stakeholders who represent agencies serving minority populations. This group meets to discuss strategies to reach these populations more effectively, including participating in community events attended by these populations.

CR-15 - Resources and Investments 91.520(a)

Identify the resources made available

| Source of Funds | Source | Resources Made Available | Amount Expended During Program Year |
|-----------------|--------|--------------------------|-------------------------------------|
| CDBG | | 4,260,330 | 1,027,553 |
| HOME | | 1,332,276 | 417,068 |

Table 3 - Resources Made Available

Narrative

There were no substantial budget amendments made during the program year to amend resources made available during the 2014-15 Program Year. The amount expended during the Program Year reflects the actual expenses realized during the program year. Many of the larger scale projects the city supports often carry over multiple program years due to various issues. Some projects are not committed until later in the program year, some require extensive external approval processes like awaiting USACE approval for the Licking River Greenway. Other projects are attempting to leverage resources by providing match for grant applications and announcements of awards are often delayed.

Identify the geographic distribution and location of investments

| Target Area | Planned Percentage of Allocation | Actual Percentage of Allocation | Narrative Description |
|-------------|----------------------------------|---------------------------------|-----------------------|
| | | | |

Table 4 – Identify the geographic distribution and location of investments

Narrative

The City worked with U.S. Department of Housing and Urban Development's (HUD) Louisville Field Office to established a new Neighborhood Revitalization Strategy (NRSA) to be included as part of the 2013-17 Consolidated Plan. The City adopted a Neighborhood Revitalization Strategy Area Report as an amendment to the Consolidated Plan on November 19, 2013 and thereafter approved by HUD. The City of Covington has received the HUD NRSA designation of four Census Tracts (603, 607, 670, and 671) in the downtown core to allow for greater flexibility in the way that CDBG funds are spent in this area. There are multiple programs that took place in the NRSA last program year. The City created 7 new affordable rental units through the Upper Floor Residential Rent Rehab Program. These 7 upper floor residential rental units were in one mixed-use building that was rehabbed and now is the home of UpTech, a technology incubator on the first floor. The Goebel Park Playground improvement project happened within the NRSA. Street resurfacing and ADA sidewalk ramps were installed in the area. The downtown crime prevention effort went well with positive reports from businesses and residents. Also, the Madison Avenue Streetscaping project completed the established blocks.

Leveraging

Explain how federal funds leveraged additional resources (private, state and local funds), including a description of how matching requirements were satisfied, as well as how any publicly owned land or property located within the jurisdiction that were used to address the needs identified in the plan.

The City was successful in leveraging additional resources as part of its program activities.

For CDBG Funds:

The Caroline Avenue Underpass Project was completed this program year and used \$300,067.88 CDBG funds, but leveraged \$554,538 in SNK & SD1 support. The Upper Floor Residential Rehab Program completed the Pike Star project that used \$70,000 CDBG and had over \$1,160,467 in other funds through owner match, grants, tax credits and more. The Russell Street water line replacement project used \$74,681.30 CDBG, but leveraged \$373,406.50 from KYTC. The Latonia Elementary Community Playground project used \$20,000 CDBG funded and leveraged \$50,000 in grant funds, \$30,000 in match funds from the School and \$61,000 in-kind volunteer support. A new playground was installed at Goebel Park that was part of an overall park improvement effort by the neighborhood. The \$100,000 playground was leveraged with over \$20,000 in funds raised and over \$20,000 in in-kind volunteer support. Overall \$564,749.18 of CDBG funds were leveraged to earn \$2,269,411 from other sources.

For HOME Funds:

The HOME homebuyer down payment program leveraged a total of \$4,416,058 in first mortgage loans to households earning 80% or less of area median income. The 325 Orchard residential rehab project used \$44,252 HOME funds, but leveraged \$14,100 Kresgie foundation grant and \$120,000 from Republic Bank. The 938 Hamlet residential rehab project used \$96,000 HOME, but leveraged \$82,906.

| Fiscal Year Summary – HOME Match | |
|--|---------|
| 1. Excess match from prior Federal fiscal year | 407,047 |
| 2. Match contributed during current Federal fiscal year | 0 |
| 3. Total match available for current Federal fiscal year (Line 1 plus Line 2) | 407,047 |
| 4. Match liability for current Federal fiscal year | 59,827 |
| 5. Excess match carried over to next Federal fiscal year (Line 3 minus Line 4) | 347,220 |

Table 5 – Fiscal Year Summary - HOME Match Report

| Match Contribution for the Federal Fiscal Year | | | | | | | | |
|--|----------------------|----------------------------|-------------------------------|------------------------------|-------------------------|---|----------------|-------------|
| Project No. or Other ID | Date of Contribution | Cash (non-Federal sources) | Foregone Taxes, Fees, Charges | Appraised Land/Real Property | Required Infrastructure | Site Preparation, Construction Materials, Donated labor | Bond Financing | Total Match |
| | | | | | | | | |

Table 6 – Match Contribution for the Federal Fiscal Year

HOME MBE/WBE report

| Program Income – Enter the program amounts for the reporting period | | | | |
|---|---|---|--------------------------------|--|
| Balance on hand at beginning of reporting period \$ | Amount received during reporting period \$ | Total amount expended during reporting period \$ | Amount expended for TBRA \$ | Balance on hand at end of reporting period \$ |
| 0 | 171,968 | 171,968 | 0 | 0 |

Table 7 – Program Income

| Minority Business Enterprises and Women Business Enterprises – Indicate the number and dollar value of contracts for HOME projects completed during the reporting period | | | | | | |
|---|--------|-----------------------------------|---------------------------|--------------------|----------|--------------------|
| | Total | Minority Business Enterprises | | | | White Non-Hispanic |
| | | Alaskan Native or American Indian | Asian or Pacific Islander | Black Non-Hispanic | Hispanic | |
| Contracts | | | | | | |
| Dollar Amount | 16,930 | 0 | 0 | 4,505 | 0 | 12,425 |
| Number | 2 | 0 | 0 | 1 | 0 | 1 |
| Sub-Contracts | | | | | | |
| Number | 0 | 0 | 0 | 0 | 0 | 0 |
| Dollar Amount | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total | Women Business Enterprises | Male | | | |
| Contracts | | | | | | |
| Dollar Amount | 32,043 | 12,425 | 19,618 | | | |
| Number | 4 | 1 | 3 | | | |
| Sub-Contracts | | | | | | |
| Number | 0 | 0 | 0 | | | |
| Dollar Amount | 0 | 0 | 0 | | | |

Table 8 – Minority Business and Women Business Enterprises

| Minority Owners of Rental Property – Indicate the number of HOME assisted rental property owners and the total amount of HOME funds in these rental properties assisted | | | | | | |
|--|-------|-----------------------------------|---------------------------|--------------------|----------|--------------------|
| | Total | Minority Property Owners | | | | White Non-Hispanic |
| | | Alaskan Native or American Indian | Asian or Pacific Islander | Black Non-Hispanic | Hispanic | |
| Number | 0 | 0 | 0 | 0 | 0 | 0 |
| Dollar Amount | 0 | 0 | 0 | 0 | 0 | 0 |

Table 9 – Minority Owners of Rental Property

| Relocation and Real Property Acquisition – Indicate the number of persons displaced, the cost of relocation payments, the number of parcels acquired, and the cost of acquisition | | | | | | |
|--|-------|-----------------------------------|---------------------------|--------------------|----------|--------------------|
| Parcels Acquired | | 0 | | 0 | | |
| Businesses Displaced | | 0 | | 0 | | |
| Nonprofit Organizations Displaced | | 0 | | 0 | | |
| Households Temporarily Relocated, not Displaced | | 0 | | 0 | | |
| Households Displaced | Total | Minority Property Enterprises | | | | White Non-Hispanic |
| | | Alaskan Native or American Indian | Asian or Pacific Islander | Black Non-Hispanic | Hispanic | |
| Number | 0 | 0 | 0 | 0 | 0 | 0 |
| Cost | 0 | 0 | 0 | 0 | 0 | 0 |

Table 10 – Relocation and Real Property Acquisition

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CR-20 - Affordable Housing 91.520(b)

Evaluation of the jurisdiction's progress in providing affordable housing, including the number and types of families served, the number of extremely low-income, low-income, moderate-income, and middle-income persons served.

| | One-Year Goal | Actual |
|--|---------------|-----------|
| Number of Homeless households to be provided affordable housing units | 0 | 0 |
| Number of Non-Homeless households to be provided affordable housing units | 62 | 82 |
| Number of Special-Needs households to be provided affordable housing units | 0 | 0 |
| Total | 62 | 82 |

Table 11 – Number of Households

| | One-Year Goal | Actual |
|--|---------------|-----------|
| Number of households supported through Rental Assistance | 0 | 0 |
| Number of households supported through The Production of New Units | 0 | 7 |
| Number of households supported through Rehab of Existing Units | 18 | 16 |
| Number of households supported through Acquisition of Existing Units | 44 | 59 |
| Total | 62 | 82 |

Table 12 – Number of Households Supported

Discuss the difference between goals and outcomes and problems encountered in meeting these goals.

The goals related to creation, acquisition and rehabilitation of units were achieved. There are rehab projects that were started in program year 2014 that will be completed in program year 2015. The Homebuyer Assistance Programs continue to be utilized at a high rate and exceeded projected goals. The City continues to be a popular destination for homebuyers, especially first-time buyers. The City has a high number of affordably priced homes in neighborhoods throughout the City. There is high demand in the downtown core area for affordable rental units. The City was able to create 7 new rental units to meet this demand.

Discuss how these outcomes will impact future annual action plans.

The City will continue to offer homebuyer assistance programs to promote increases in homeownership rates throughout all of the Consortium cities. We will adjust program parameters to meet the challenges of reduced funding in the HOME Program. For program year 2015, maximum homebuyer assistance amounts were reduced to \$5,000 in all Consortium cities in order to assist as many households as possible with available funding. The City has a large inventory of aging housing stock. CDBG funds will continue to be allocated to homeowner repair programs. These programs are only offered to very-low income households and are targeted to the most needy in our population consisting of elderly, disabled and veteran households. We will continue to promote and fund the Upper Floor Residential Rehab Program as a mechanism to create new, affordable rental opportunities in the urban core.

Include the number of extremely low-income, low-income, and moderate-income persons served by each activity where information on income by family size is required to determine the eligibility of the activity.

| Number of Persons Served | CDBG Actual | HOME Actual |
|---------------------------------|--------------------|--------------------|
| Extremely Low-income | 4 | 6 |
| Low-income | 8 | 11 |
| Moderate-income | 8 | 44 |
| Total | 20 | 61 |

Table 13 – Number of Persons Served

Narrative Information

Number of persons served through CDBG programs: Upper Floor Residential Rental Rehab: 4 moderate-income; Homeowner Rehab: 4 extremely low-income, 8 low-income and 4 moderate-income households.

Number of persons served through HOME programs: Homebuyer Assistance Program: 6 extremely low-income, 11 very low-income and 42 moderate-income; CDDO Developments: 2 moderate-income households.

City programs were utilized by households of various income categories.

CR-25 - Homeless and Other Special Needs 91.220(d, e); 91.320(d, e); 91.520(c)

Evaluate the jurisdiction's progress in meeting its specific objectives for reducing and ending homelessness through:

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

Every year, Kentucky Housing Corporation conducts a K-Count to best monitor the homeless in Kentucky. The homeless and social service agencies in Northern Kentucky actively participate in this Winter count.

In 2014, the City of Covington Mayor participated in the HUD Mayor's Challenge to End Veteran Homelessness. With the participation in this Mayor's Challenge, special attention was placed on veteran homelessness. The following initiatives were enacted:

- Veteran intake day for Section 8 vouchers
- Efforts to get additional VASH vouchers for Section 8
- Veterans were placed on a priority list for public housing opening
- Collaboration with the Emergency Shelter of Northern Ky

Addressing the emergency shelter and transitional housing needs of homeless persons

HealthPoint Family Care provides excellent health services, primarily for low-income and uninsured people, and does so through compassion, innovation and excellence. Their Pike Street Clinic in Covington is the only walk-in medical clinic in Northern Kentucky for the homeless.

The Emergency Shelter of Northern Kentucky provides shelter to adults who are homeless. They provide the basic life necessities (shelter, safety, food, clothing, showers and laundry) so that guests will be able to move forward in life. They are Northern Kentucky's only handicap accessible shelter and the only shelter which will take in people who are referred by the police or the emergency room in the middle of the night. Guests, while getting their basic needs met are also being provided with guidance to help them recover from homelessness. They work on finding employment, staying sober, receiving consistent medical care, applying for disability, creating resumes and saving money.

Transitions, Inc. used McKinney Vento funds for its Willow Run Project, which provides transitional housing to homeless individuals in Covington. Transitions, Inc. also used McKinney Vento funds for its Homeless Services Project, which 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.

Welcome House of Northern Kentucky, Inc. used 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.

Due to the efforts set forth the City of Covington is very close to being designated as a “functional zero” homeless veteran community. We understand that veteran homelessness will always be a moving target because there will always be homeless veterans entering the system. The important part is that we have a system in place and resources to adequately assist and ultimately house veterans within a reasonable timeframe once they have been identified.

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

NorthKey Community Care uses 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.

The City continued to work with the area agencies to address the need for permanent housing for the homeless. The objectives included:

Prioritize models which encourage and develop self sufficiency. The Welcome House Women's Shelter has developed (with funding from a HHS grant) a model program for client stabilization and eventual self-sufficiency. This model may be implemented area wide.

- Models developed must include special needs of special populations.
- Support services should be offered on a continuum of care model. These services should include, but not be limited to: emergency assistance, substance abuse treatment, employment and educational training, mental health services, role modeling, problem assessment, goal setting, ongoing support and follow up.

Welcome House manages Kings Crossing in which 8 units of permanent, affordable housing for the homeless are made available. All units are occupied and meet HOME requirements.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: likely to become homeless after 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); and, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

The Life Learning Center, a private, 501C3 non-profit located in Covington Kentucky, is a progressive concept. The Life Learning Center is focused on the less advantaged and less hopeful people in the Greater Cincinnati/Northern Kentucky community who are classified as "At Risk". These are people who are struggling financially, or who suffer under a multitude of difficulties (barriers inclusive of, family issues, criminal history); but are trying to gain a footing, to be productive, to survive, to avoid homelessness. Candidates are enrolled in a series of classes starting with orientation stretching through the "Pillars of Growth" and "Working for a Better Life" programs to job search and placement. The Life Learning Center has helped over 800 individuals, 40% who have a criminal background find employment for life.

The Life Learning Center moved to the historic Stewart Iron Works building in Covington, Kentucky. The new space will allow the Center to serve the growing number of at-risk citizens. The City previously owned the building and worked hand in hand with the local social service agencies to create this opportunity for the region's "at-risk" population by obtaining Brownfield Assessment Grants and a HUD Economic Development Initiative grant to assist in the rehab of the facility.

CR-30 - Public Housing 91.220(h); 91.320(j)

Actions taken to address the needs of public housing

The Housing Authority of Covington utilized their capital funds & resident services programming to address the needs of public housing residents. The Resident Services Department collaborates with many community organizations to serve the resident population. The Housing Authority of Covington offered the following services:

- Adult Education programs targeting high school drop outs with GED preparatory classes; post-secondary advancement via academic and computer enrichment classes; employment readiness through classes that promote personal responsibility, and links to job search services.
- Youth Programming: after-school programs in safe, clean, supervised environments; summer camp programs so youth may experience nature; work readiness and work experience through summer youth employment programs.
- Elderly Services: free congregate meals, as well as educational and recreational opportunities, to low income senior citizens.

The City's Section 8 Housing Choice Voucher Program addresses the needs of public housing by providing detailed briefing sessions to Section 8 applicants. In Program Year 2014, 603 applicants attended a Housing Choice Voucher briefing session. At this meeting, families learn about fair housing, the portability process and are encouraged to move out of poverty concentration areas.

At the briefing, they listen to a presentation by the Family Self-Sufficiency Coordinator and fill out a questionnaire to gauge their interest. Interested applicants meet with the FSS Coordinator after being admitted to the Section 8 program.

Each quarter during the year, families who claim zero or minimal income attend information meetings where speakers cover topics such as education, financial literacy, becoming business owners, childcare benefits and other self-sufficiency topics.

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

The Housing Authority of Covington offers various programs to its residents, which includes an after-school program that offers educational and recreational activities and a teen program that provides an outlet for high school students to improve leadership skills. Each public housing site has a resident advisory council. Also, the Housing Authority of Covington offers Homeownership opportunities in its new HOPE VI development, River's Edge at Eastside Pointe.

Section 8 Housing Choice Voucher Program participants are invited to attend informational meetings to learn about the Family Self-Sufficiency Program and the Section 8 Homeownership Program.

In Program Year 2014, 3 Section 8 families became home owners through the Program.

Actions taken to provide assistance to troubled PHAs

The Housing Authority of Covington is not a troubled PHA.

Section 8 Agency KY133 is not a troubled PHA.

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CR-35 - Other Actions 91.220(j)-(k); 91.320(i)-(j)

Actions taken 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. 91.220 (j); 91.320 (i)

The City continuously reviews public policies regarding zoning, building, fees and charges, etc. to limit any negative effects or barriers created to affordable housing creation. New and rehabilitated housing for lower-income households occurred in a wide spectrum of neighborhoods throughout the Consortium cities. Zoning ordinances and other land use policies in the Consortium cities do not appear to significantly impact the creation of affordable housing. The Consortium cities, for the most part, do not have an abundance of available land for growth or new construction of affordable housing. Therefore, most affordable housing development that has occurred is scattered site rehabilitations and in-fill housing.

Actions taken to address obstacles to meeting underserved needs. 91.220(k); 91.320(j)

The City identified these obstacles to meeting underserved needs: 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 lack of adequate financial resources continues to be the main obstacle facing the City and other local organizations in meeting underserved needs. The City's HOME and CDBG budgets were reduced significantly in 2012. There have been slight increases and decreases in 2013 and 2014, but current levels are still far below 2012 amounts. To this end, the City has encouraged and assisted local agencies to seek out other sources of funds, both public and private. The City often provides technical assistance to providers in their pursuit of other federal, state, or private funding sources.

To address housing affordability, the City focused HOME and CDBG funding into programs to promote homeownership, homeowner rehabilitation, and the creation of new affordable homeownership and rental units.

CDBG funds were utilized for business retention programs in an effort to expand economic opportunities. The City evaluated and updated the Section 3 policies and procedures to ensure that these efforts were adequately incorporated into development contracts. Potential projects were evaluated for the Section 108 Economic Development loan pool. Projects will be selected for development using the Section 108 program in Program Year 2015.

The City continued to support non-profit partners, the Covington Housing Authority, homeless providers, and other special needs groups in their goal to meet the underserved persons of the

community. The City utilized the outreach of these agencies to inform households in the underserved population of available city programs and services.

Actions taken to reduce lead-based paint hazards. 91.220(k); 91.320(j)

To reduce lead-based paint hazards, the City took the following actions related to our adopted Lead Based Paint Policy for 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) rehab costs \$0-\$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 - \$25000 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) over \$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 taken to reduce the number of poverty-level families. 91.220(k); 91.320(j)

Activities undertaken by the City of Covington with CDBG and HOME funds are intended to directly benefit low-income families and to improve the quality of life for Covington residents. These activities indirectly affect poverty levels by providing affordable housing and community improvement projects. The City supports other agencies and programs that have a more direct effect on poverty levels.

The City of Covington's Section 8 Program administered a Family Self-Sufficiency Program. The Coordinator for the Program worked 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 and Campbell County Department of Housing administered Family Self Sufficiency Programs as well. Newport Housing Authority also offered a Section 8 to Homeownership Program. The Campbell County Department of Housing is working on starting a Section 8 to Homeownership Program.

Actions taken to develop institutional structure. 91.220(k); 91.320(j)

The City of Covington Department of Development, Programs and Strategic Projects Division (PSP) has the primary role for administering the City's CDBG and HOME programs. The PSP consistently reviews the performance of and monitors the overall program delivery structure to ensure coordination and compliance. PSP staff routinely meets with officials from other City departments i.e. Community Services, Public Works, and Parks and Recreation to ensure an understanding of and compliance with HUD grant agreements and all cross-cutting requirements. PSP staff also consults with the HUD Louisville Field Office frequently to stay current with any programmatic changes or updates.

The PSP division continued to update and improve our policies and procedures, including increasing efficiencies, improving our communication and collaboration efforts and following up on execution of tasks. There was also a minor staff re-organization. The vacant Grants Administrator position was filled by the former CDBG/HOME Program Coordinator and that position was filled by the former HOME Consortium Coordinator. This increased efficiency and established clearer roles and separation of duties.

Actions taken to enhance coordination between public and private housing and social service agencies. 91.220(k); 91.320(j)

The City sought input from public and private housing agencies and social service agencies to craft the 2014-15 Annual Action Plan. Throughout the program year, the City maintained these collaborations in the following manner:

- Met with the Covington Neighborhood Collaborative/Neighborhood Groups. The Covington Neighborhood Collaborative does quarterly presentations to the City Commission, which helps facilitate communication.
- Maintained dialogue with the Brighton Center and Catholic Social Services to promote affordable housing programs and homebuyer education/counseling programs.
- Met with the local banking/lending community and local realtors to market affordable housing programs.
- Offered detailed technical assistance to the Housing Authority of Covington as they implemented the homeownership phase of their HOPE VI Project.
- Participated in 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.
- Continued to implement the Center City Action Plan, a Five Year Community Investment Plan that act as strategic guiding documents for redevelopment policy and environment changes.

Reviewed Programs and Plans with Covington Human Rights Commission.

Identify actions taken to overcome the effects of any impediments identified in the

jurisdictions analysis of impediments to fair housing choice. 91.520(a)

The City's Analysis of Impediments to Furthering Fair Housing was approved by HUD in September 2014, therefore, actions did not formally begin until this program year.

During the year, the City completed the following actions related to the identified impediments within the plan:

- Continued offering the Homebuyer Assistance Program and requiring pre-purchase homebuyer counseling
- Staff attended HOPE VI lender info sessions and buyer info sessions
- Staff invited partners, non-profits and realtors to join a city-led coalition focused on fair housing - multiple meetings were held to discuss ways to reach those who are least likely to utilize services
- Partnered with local developers to create rental units in mixed use buildings where at least 51% are offered to LMI individuals
- Staff spoke at the NKY Disabilities Conference
- A Bank On Campaign was hosted in the region and attended by our Mayor, coordinated with several non-profits who incorporate this in their programming
- Completed rehabs of 2 homeownership units that were made available to LMI individuals
- City installed 85 single and 24 double handicap ramps along city streets to improve ease of mobility
- Structured the Homeowner Repair Program to give priority to Seniors, Veterans, and Disabled residents
- Cross promoted partner organization programs and services

CR-40 - Monitoring 91.220 and 91.230

Describe the standards and procedures used to monitor activities carried out in furtherance of the plan and used to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements

The City acknowledges that monitoring is a critical and ongoing task related to carrying out activities funded with CDBG and HOME. The City performs the following in regards to meeting these monitoring requirements:

- CDBG/HOME program participant files: all files related to CDBG and HOME homeowner rehab and homebuyer activities are reviewed by the Grants Administrator and the PSP Director prior to the commitment of funds. This review includes applicant eligibility, property qualification, underwriting, subsidy layering, appropriate use of funds, costs reasonableness, environmental review requirements, construction documents, bidding documents, costs estimates, etc.
- Other HOME projects: the City conducts on-site inspections of all HOME rental projects during the period of affordability as required by §92.504(d).
- Other CDBG activities: the Grants Administrator and PSP Director review all CDBG activities prior to the commitment/expenditure of funds. This review includes project eligibility per the Annual Action Plan, meeting a National Objective, appropriate use of funds, cost reasonableness, environmental review requirements, etc. Activities such as the Business Retention Program and Code Enforcement that primarily pay staff costs will be reviewed in an ongoing manner throughout the program year to ensure that stated goals are being met and activities being performed are eligible.
- Davis Bacon: the City will consult with any contractors or partner agencies regarding the applicability of Davis Bacon and the program requirements. Staff will conduct site visits, employee interviews, and check weekly payroll forms for accuracy for any projects that require Davis Bacon compliance. The City has dedicated a specific staff person to ensure this compliance.
- Fair Housing/Section 3 Compliance: The City ensures compliance with Fair Housing and Section 3 during the process of awarding grant agreements to selected agencies and throughout the program year. Documentation is maintained on efforts to support low- and moderate-income residents. The City plans to increase Section 3 outreach in Program Year 2015, including the promotion and marketing of the Section 3 Business Registry.
- MBE/WBE Outreach: Outreach to minority and women owned businesses are encouraged in both projects supported with entitlement funds as well as other city projects. The City plans to increase MBE/WBE outreach in Program Year 2015.
- Timeliness: the City recognizes the importance of timeliness in the expenditure of entitlement funds. Funds will only be allocated to projects and activities that can quickly achieve stated goals.

Citizen Participation Plan 91.105(d); 91.115(d)

Describe the efforts to provide citizens with reasonable notice and an opportunity to comment on performance reports.

The availability of the CAPER for the 2014-2015 program year was advertised in the Cincinnati Enquirer on September 10, 2015. Public notices were also posted on the City's website. Copies of the draft CAPER were available for review at the city offices of the City of Covington as well as the HOME Consortium cities of Ludlow, Newport, Bellevue and Dayton. Assistance was offered to those with limited English speaking capabilities or individuals with hearing or vision impairments. The fifteen-day comment period ends on September 26, 2015.

DRAFT

CR-45 - CDBG 91.520(c)

Specify the nature of, and reasons for, any changes in the jurisdiction’s program objectives and indications of how the jurisdiction would change its programs as a result of its experiences.

For Program Year 2014-15, the City elected to stop administering the Business 1st Grant Program. This was a small business economic development program. This program was dropped based on the complexities of administering this type of program with CDBG funds. In addition, interested parties felt the application and reporting requirements were cumbersome. The City decided to focus more efforts on the Business Retention Program and on identifying potential projects for the Section 108 Loan Pool program that will be prioritized in Program Year 2015-16.

The City decided to alter the allocation amounts for our two homeowner rehabilitation loan programs. In Program Year 2013-14, more funds were allocated to the Code Enforcement Hardship Repair Program than to the Homeowner Repair Program. After analyzing these two programs, it was found that the demand for the Homeowner Repair Program was much higher, therefore for Program Year 2014-15 funds were re-allocated to this program to meet demand.

The City analyzes these programs annually and makes adjustments to program guidelines and parameters as needed to achieve the greatest results with available funding.

| | |
|--|----|
| Does this Jurisdiction have any open Brownfields Economic Development Initiative (BEDI) grants? | No |
|--|----|

[BEDI grantees] Describe accomplishments and program outcomes during the last year.

CR-50 - HOME 91.520(d)

Include the results of on-site inspections of affordable rental housing assisted under the program to determine compliance with housing codes and other applicable regulations

Please list those projects that should have been inspected on-site this program year based upon the schedule in §92.504(d). Indicate which of these were inspected and a summary of issues that were detected during the inspection. For those that were not inspected, please indicate the reason and how you will remedy the situation.

The City conducted an on-site inspection per §92.504(d) of the Kings Crossing HOME rental project at 1128 Greenup Street. The required number of units were inspected to determine compliance with housing codes and other applicable regulations. There were no issues detected that required any remedies.

Provide an assessment of the jurisdiction's affirmative marketing actions for HOME units. 92.351(b)

The City affirmatively markets its HOME funded activities through various resources to ensure that the broadest possible audience is informed of the programs. Catholic Charities and the Brighton Center (HUD approved housing counseling agencies) provide homeownership education and counseling programs and disseminate information related to the Covington and HOME Consortium Homebuyer Assistance programs to their clients. Program information is also provided to CHDO partners, the Northern Kentucky Human Rights Commission, the Disabilities Coalition of NKY and other non-profit partner agencies who have contact with underserved populations. In addition, City staff has created a Fair Housing Coalition that brings together partner agencies who serve constituency groups that would be least likely to utilize programs. As a result of this coalition, a list of already established events that serve these groups was created. City Staff attends a portion of these public functions to meet these groups in a comfortable environment to market programs.

Refer to IDIS reports to describe the amount and use of program income for projects, including the number of projects and owner and tenant characteristics

A total of \$171,967 was received in program income for the 2014-15 Program Year. This funding was allocated according to HUD regulations by committing program income funds prior to entitlement funds. As program income was received, it was used to fund Homebuyer Assistance Program activities. A total of 59 households received assistance. The income breakdown for these 59 households was: 6 between 0-30% of Area Median Income, 11 between 30-50% of Area Median Income, 42 between 50-80% of Area Median Income.

Describe other actions taken to foster and maintain affordable housing. 91.220(k) (STATES ONLY: Including the coordination of LIHTC with the development of affordable housing).

91.320(j)

HOME funds were utilized for Homebuyer Assistance Programs and CHDO Homebuyer developments. The City currently has three designated CHDO's: Housing Opportunities of Northern Kentucky, The Center for Great Neighborhoods of Covington and Entryway, Inc. These programs created affordable housing opportunities.

All participants in homebuyer activities are required to attend a HUD approved homebuyer education class. These classes ensure that homebuyers are adequately informed regarding the home buying process and issues of affordability and budgeting.

The City underwrites all homebuyer activities using established affordability criteria and debt to income ratios. The City reviews the terms of all private financing in homebuyer deals to ensure that this financing will remain affordable for buyers and is not predatory in nature.

In order to foster housing affordability and assist households to maintain quality energy efficient housing, the City implements Green and Energy Star standards in regards to substantial rehabilitation projects funded with HOME.

In addition to HOME funded activities the City of Covington Department of Development also has several other neighborhood revitalizations initiatives:

- Rental Inspection Program - this program inspects rental properties to ensure safe and habitable living environments for tenants
- Demolition Program - the city has initiated the demo of over 200 unsafe structures in the city
- Homeowner Rehab Programs - support to homeowners in need of repairs to roofs, sewer lines, furnaces with priority given to elderly, veteran and disabled applicants
- Upper Floor Residential Rent Program - rehab of upper floors of mixed-use downtown buildings for residential use