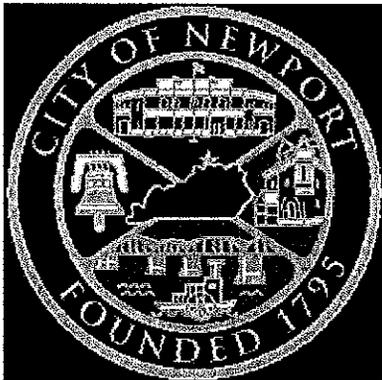
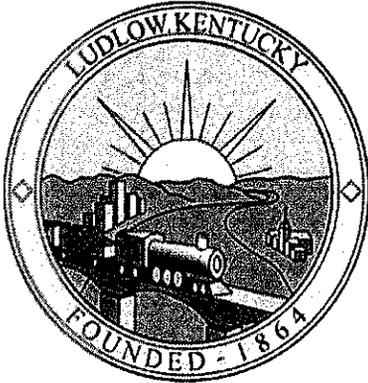


Covington, Kentucky

ANNUAL ACTION PLAN

2013 – 2014



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

Louisville Office of Community Planning and Development

Approved by Covington City Commission: May 7, 2013

Approved by the U.S. Department of Housing and Urban Development: July 26, 2013

Expected Resources

Annual Action Plan
2013

1

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 2013-14 are \$1,444,654 in Community Development Block Grant (CDBG) funding and \$403,127 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 \$200,000 in CDBG and \$35,000 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 do not anticipate carry-over. The City of Covington anticipates \$25,000 in Section 108 repayments.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1			Expected Amount Available Remainder of ConPlan	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	1,444,654	200,000	0	1,644,654	7,223,270

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1			Expected Amount Available Remainder of ConPlan \$	Narrative Description	
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$			Total: \$
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	403,127	35,000	0	438,127	2,015,635	This number has been cut severely the last few years, so it is hard to imagine that the estimate for the next five 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.

Discussion

CDBG Program

- Section 108 Economic Development Loan Repayment – \$25,000
- Section 108 Hope VI Repayment - \$40,000
- Public Improvements (Streets, Playgrounds, Greenspace) - \$286,000
- Public Facilities Senior Center - \$75,000
- Code Enforcement Hardship Rehab/Repair - \$153,593
- Upper Floor Residential Rent Rehab Program - \$60,000
- Business 1st Grant Program - \$50,000
- Economic Development Technical Assistance (Xceligent & NDC) - \$63,300
- Crime Prevention (City Heights & Downtown) - \$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
- Administration - \$311,712

HOME Program – Covington

- Homebuyer Assistance Program - \$148,162
- CHDO Development Projects - \$36,718
- Program Staff - \$35,426
- Administration - \$24,478

HOME Program – Consortium Cities

- Homebuyer Assistance Program - \$121,251
- CHDO Development Projects - \$29,001
- Program Staff - \$23,756
- Administration - \$19,334

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

Table 2 – Goals Summary

Goal Descriptions

1	Goal Name	Upper Floor Residential Rent Rehab Program						
	Goal Description							
2	Goal Name	Business 1st Grant Program						
	Goal Description							
3	Goal Name	Covington Homebuyer Assistance Program						
	Goal Description							
4	Goal Name	NKY HOME Consortium Homebuyer Assistance Program						
	Goal Description							
5	Goal Name	Section 108 Hope VI Repayment						
	Goal Description							
6	Goal Name	Section 108 ED Loan pool						
	Goal Description							
7	Goal Name	Streets, Playgrounds, Greenspace						
	Goal Description							

8	Goal Name	CDBG Administration
	Goal Description	
9	Goal Name	Public Facilities Senior Center
	Goal Description	
10	Goal Name	Code Enforcement Hardship Rehab/Repair
	Goal Description	
11	Goal Name	Economic Development Technical Assistance
	Goal Description	
12	Goal Name	Crime Prevention
	Goal Description	
13	Goal Name	Recreation Programs
	Goal Description	
14	Goal Name	Code Enforcement Staff
	Goal Description	
15	Goal Name	Place Matters
	Goal Description	
16	Goal Name	CDBG Program Staff
	Goal Description	
17	Goal Name	Business Development Staff
	Goal Description	
18	Goal Name	Covington CHDO Development Projects
	Goal Description	
19	Goal Name	HOME Program Staff
	Goal Description	
20	Goal Name	HOME Administration
	Goal Description	
21	Goal Name	NKY HOME Consortium CHDO Development Projects
	Goal Description	

22	Goal Name	NKY HOME Consortium Program Staff
	Goal Description	
23	Goal Name	NKY HOME Consortium Administration
	Goal Description	
24	Goal Name	Relocation
	Goal Description	
25	Goal Name	Interim Assistance
	Goal Description	

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, 108 Loan repayments. The new formula based entitlements are \$1,444,654 in Community Development Block Grant (CDBG) funding and \$403,127 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 \$225,000 in CDBG and \$35,000 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 budget reflects \$65,000 in payments received from an economic development project that received Section 108 loans. The budget also includes income that is received through our non-cash HOME match, which comes to \$50,391.

#	Project Name
1	Section 108 Repayment - Economic Development
2	Section 108 Repayment - HOPE VI Infrastructure
3	Public Improvements
4	Public Facility - Senior Center
5	Code Enforcement Hardship Rehab/Repair Program
6	Upper Floor Residential Rehab Program
7	Business 1st Program - Small Business
8	Economic Development - Technical Assistance
9	Police - Anti-Crime Program - City Heights
10	Police - Anti-Crime Program - Core Area
11	Recreation Programs
12	Code Enforcement - Staff
13	Place Matters Program
14	Program Delivery - Program Staff
15	Business Development Staff
16	Relocation
17	Interim Assistance
18	Administration - CDBG
19	Covington Homebuyer Assistance Program
20	Covington CHDO Development Projects
21	Covington HOME Program Delivery
22	Covington HOME Program Administration
23	NKY HOME Consortium Homebuyer Assistance Program
24	NKY HOME Consortium CHDO Development Projects

#	Project Name
25	NKY HOME Consortium Program Delivery
26	NKY HOME Consortium Program Administration

Table 3 – Project Information

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

The neighborhood targeted is the core area of the City: downtown/center city area, which includes the CDBG Neighborhood Revitalization Strategy (NRSA) and Downtown 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 87% White and 13% Minority. The highest percentage of minorities in Covington live in Census Tract 671 where the African-American population makes up 57% 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 Downtown Action Plan area.

AP-38 Project Summary

Project Summary Information

1	Project Name	Section 108 Repayment - Economic Development
	Target Area	
	Goals Supported	Business 1st Grant Program
	Needs Addressed	
	Funding	CDBG: \$25,000
	Description	Payments toward Section 108 loans used for economic development purposes
	Planned Activities	Loans to businesses in Covington to create economic opportunities and jobs
2	Project Name	Section 108 Repayment - HOPE VI Infrastructure
	Target Area	
	Goals Supported	
	Needs Addressed	
	Funding	CDBG: \$40,000
	Description	Funds used to assist in the HOPE VI development infrastructure improvements
	Planned Activities	Installation of streets in HOPE VI development area
3	Project Name	Public Improvements
	Target Area	
	Goals Supported	

	Needs Addressed	
	Funding	CDBG: \$286,000
	Description	Streets/sidewalk improvements; installation of handicap ramps on sidewalks; park/greenspace improvements
	Planned Activities	Funding for improvements to streets/sidewalks/parks/greenspace as well as installation of handicap ramps
4	Project Name	Public Facility - Senior Center
	Target Area	
	Goals Supported	
	Needs Addressed	
	Funding	CDBG: \$75,000
	Description	Creation of public facility to be utilized as a senior center in Covington
	Planned Activities	
5	Project Name	Code Enforcement Hardship Rehab/Repair Program
	Target Area	
	Goals Supported	
	Needs Addressed	
	Funding	CDBG: \$153,593
	Description	Funds to assist owner-occupants with repairs involving code violations based on referrals through the City's Code Board
	Planned Activities	Funds will be provided to assist homeowners to make repairs involving code violations to both exterior and interior of buildings. Referrals are made through the City's Code Board; owners must demonstrate hardship where they are unable to make the repairs using their own funds.
6	Project Name	Upper Floor Residential Rehab Program
	Target Area	

	Goals Supported	Upper Floor Residential Rent Rehab Program
	Needs Addressed	
	Funding	CDBG: \$60,000
	Description	Funds provided in the form of matching dollars to renovate vacant upper floor space to create quality residential units in mixed use buildings.
	Planned Activities	Funds provided to renovate vacant upper floor space into quality residential units. Buildings must be located within target area of the downtown core.
7	Project Name	Business 1st Program - Small Business
	Target Area	
	Goals Supported	Business 1st Grant Program
	Needs Addressed	
	Funding	CDBG: \$50,000
	Description	Funds provided to small businesses to facilitate creation of economic opportunities in the downtown Covington area
	Planned Activities	Program will be structured to provide funds for rent assistance, purchase of furniture/fixtures/equipment or marketing assistance for businesses located within the targeted downtown area.
8	Project Name	Economic Development - Technical Assistance
	Target Area	
	Goals Supported	Business 1st Grant Program
	Needs Addressed	
	Funding	CDBG: \$63,300
	Description	Funding to provide technical assistance and subscription services to assist with economic development (NDC and Xceligent)

	Planned Activities	Provide funding to engage National Development Council (NDC) to assist in economic development initiatives by providing technical assistance in deal structuring. Also provides funding for subscription service involving economic development opportunities (Xceligent)
9	Project Name	Police - Anti-Crime Program - City Heights
	Target Area	
	Goals Supported	
	Needs Addressed	
	Funding	CDBG: \$50,000
	Description	Funding to provide for additional police patrols at public housing site
	Planned Activities	
10	Project Name	Police - Anti-Crime Program - Core Area
	Target Area	
	Goals Supported	
	Needs Addressed	
	Funding	CDBG: \$50,000
	Description	Funding to provide additional police presence in downtown/core targeted area
	Planned Activities	Funds will provide for increased police presence in the downtown core area of Covington
11	Project Name	Recreation Programs
	Target Area	
	Goals Supported	
	Needs Addressed	

	Funding	CDBG: \$50,000
	Description	Funding to provide recreational opportunities for Covington residents
	Planned Activities	Funds provide recreational opportunities for residents of Covington
12	Project Name	Code Enforcement - Staff
	Target Area	
	Goals Supported	
	Needs Addressed	
	Funding	CDBG: \$126,750
	Description	Funds provided for Code Enforcement staff who provide work in eligible census tracts
	Planned Activities	Funds provide salaries to staff persons performing code enforcement activities in eligible census tracts
13	Project Name	Place Matters Program
	Target Area	
	Goals Supported	
	Needs Addressed	
	Funding	CDBG: \$35,000
	Description	Funds provided to Center for Great Neighborhoods, leveraged by other funding, for creation of affordable housing
	Planned Activities	Funds provided to CGN for the creation of affordable housing units in Covington. Funds cover staff salary in furtherance of the development of housing
14	Project Name	Program Delivery - Program Staff
	Target Area	
	Goals Supported	

	Needs Addressed	
	Funding	CDBG: \$161,653
	Description	Funds to provide for staffing support of projects funded through CDBG and HOME
	Planned Activities	Funds provide for staffing to support program delivery for CDBG and HOME program activities
15	Project Name	Business Development Staff
	Target Area	
	Goals Supported	
	Needs Addressed	
	Funding	CDBG: \$96,646
	Description	Funds provide salaries to staff persons responsible for economic development activities
	Planned Activities	Funds provide salaries for staff persons responsible for economic development business recruitment
16	Project Name	Relocation
	Target Area	
	Goals Supported	
	Needs Addressed	
	Funding	CDBG: \$30,000
	Description	Funds to provide relocation assistance to units either acquired with federal money or for owner-occupied units undergoing rehab
	Planned Activities	Funds are provided for relocation assistance for units acquired by the City or for cases where owner-occupants may not occupy unit while undergoing rehab work (i.e., no working plumbing, etc.)
17	Project Name	Interim Assistance
	Target Area	

	Goals Supported	
	Needs Addressed	
	Funding	CDBG: \$5,000
	Description	Funds provided for general maintenance of City-owned properties
	Planned Activities	Funds provided to maintain City-owned lots/buildings
18	Project Name	Administration - CDBG
	Target Area	
	Goals Supported	
	Needs Addressed	
	Funding	CDBG: \$311,712
	Description	Funds provided to administer the CDBG program and activities, including planning costs
	Planned Activities	Funds provided for staff support of CDBG activities; also includes funding directed towards planning activities
19	Project Name	Covington Homebuyer Assistance Program
	Target Area	
	Goals Supported	Covington Homebuyer Assistance Program
	Needs Addressed	
	Funding	HOME: \$148,162
	Description	Funds to provide downpayment and closing cost assistance for homes purchased in Covington
	Planned Activities	Funds provided as forgivable loan to income eligible buyers of properties located in the City of Covington
20	Project Name	Covington CHDO Development Projects

	Target Area	
	Goals Supported	
	Needs Addressed	
	Funding	HOME: \$36,718
	Description	Set-aside funds to be provided to CHDOs for the creation of housing in Covington
	Planned Activities	Funds provided for the development of housing in Covington. Funds are available to entities designated as CHDOs by the City of Covington. Housing that is developed may be sold, rented, or part of a lease/purchase program
21	Project Name	Covington HOME Program Delivery
	Target Area	
	Goals Supported	
	Needs Addressed	
	Funding	HOME: \$35,426
	Description	Funding for staff support of HOME program activities
	Planned Activities	Funds provided for staff responsible for carrying out HOME program activities (i.e., homebuyer programs)
22	Project Name	Covington HOME Program Administration
	Target Area	
	Goals Supported	
	Needs Addressed	
	Funding	HOME: \$24,478
	Description	Funds used for the administration of the HOME program for Covington
	Planned Activities	Funds used for the administration of the Covington HOME program, including staff salaries

23	Project Name	NKY HOME Consortium Homebuyer Assistance Program
	Target Area	
	Goals Supported	NKY HOME Consortium Homebuyer Assistance Program
	Needs Addressed	
	Funding	HOME: \$121,251
	Description	Funds to provide downpayment and closing cost assistance for homes purchased in the consortium cities of Ludlow, Newport, Bellevue, and Dayton
	Planned Activities	Funds provided as forgivable loan to income eligible buyers purchasing homes in Ludlow, Newport, Bellevue, Dayton
	Project Name	NKY HOME Consortium CHDO Development Projects
	Target Area	
24	Goals Supported	
	Needs Addressed	
	Funding	HOME: \$29,001
	Description	Set-aside funds to be provided to CHDOs for the creation of housing in the cities of Ludlow, Newport, Bellevue and Dayton
	Planned Activities	Funds provided for the development of housing in the cities of Ludlow, Newport, Bellevue, Dayton. Funds are available to entities designated by Covington as CHDOs. Upon completion, the units will be sold, rented or occupied as part of a lease/purchase program
	Project Name	NKY HOME Consortium Program Delivery
	Target Area	
	Goals Supported	
	Needs Addressed	
25	Funding	HOME: \$23,756

	Description	Funding for staff support of HOME Consortium program activities
	Planned Activities	Funds provided for staff responsible for carrying out NKY HOME Consortium program activities
26	Project Name	NKY HOME Consortium Program Administration
	Target Area	
	Goals Supported	
	Needs Addressed	
	Funding	HOME: \$19,334
	Description	Funds used for the administration of the NKY HOME Consortium
	Planned Activities	Funds used for the administration of the NKY HOME Consortium program, including staff salaries

Table 4 -- Project Summary

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 below 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. Too many storefronts in the Downtown are empty. The City has determined that as a 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 make the safer to coincide with these efforts.

The Business First 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 to 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

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).

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

One Year Goals for the Number of Households to be Supported	
Homeless	0
Non-Homeless	36
Special-Needs	0
Total	36

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

One Year Goals for the Number of Households Supported Through	
Rental Assistance	0
The Production of New Units	0
Rehab of Existing Units	2
Acquisition of Existing Units	34
Total	36

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.

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 Peaseburg 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 \$162,503, Transitions Affordable Housing Project will use \$82,546, and the Transitions Homeless Services Project \$236,711. 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.

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 \$166,667 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 \$469,110 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 Development Department administers the Section 8 Housing Choice Voucher Program for all of Kenton County which is inclusive of the 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 administers Housing Choice Vouchers vouchers. The Housing Department of Campbell County administers Housing Choice vouchers.

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 Development Department 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. Currently there are 50 families participating in this program, thirteen of whom have now closed on homes.

The Newport Housing Authority 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 Continuum of Care and the Ten Year Plan to End Chronic Homelessness is now being coordinated by the Commonwealth through the efforts of NKADD and is committed to 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 we stand 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 is currently developing 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.

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.

The City of Covington/Northern Kentucky HOME Consortium will be conducting a new Analysis of Impediments in the 2013-14 Program Year to complement the 2013-18 Consolidated Plan.

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

An area of minority concentration is defined as a census tract with a minority population above 10% of the city average. The highest percentage of minorities in Consortium live in Census Tract 671 in Covington, where the Black population makes up 59% of the total. This Eastside tract has historically been home of the black community in Covington. Jacob Price Homes was constructed decades ago in Census Tract 671. The other census tract with a minority concentration is Tract 651 in Covington, which has a black population of 22% of the total. This tract is home to the City Heights and Latonia Terrace public housing complexes. The minority concentrations in these two tracts do not appear to have resulted from current zoning or other current policies or procedures.

The Consortium promotes the placement of new and rehabilitated housing for lower-income households in a wide spectrum of neighborhoods. The zoning ordinance and other land use policies do not appear to significantly impact the provision of lower-income housing except in the geographically separated southernmost quadrant of the City of Covington. In that area, residential use is limited to single-family use except for small, scattered sites.

Other than in the southern section of the City of Covington, zoning subdivision, and other requirements do not restrict the level of density required for low- and moderate- income housing in the Consortium. Also, they do not restrict the location of facilities for persons with disabilities.

The City of Covington adopted a new Zoning Ordinance for the city, which became effective on August 15, 2006.

There have been no court decisions or settlements relating to Covington's previous or current zoning and land use policies and regulations that have had an adverse effect on the provision of housing for lower-income households and persons with disabilities. Neither has the Housing Authority of Covington has not been subject to court decisions or settlements relating to housing site selection.

Displacement Actions

Although some persons have been removed from publicly assisted housing, there is no evidence that displacement occurred for any reason except for the behavior of the tenant. However there is a major redevelopment program sponsored by the Housing Authority of Covington that is relocating numerous residents of the Jacob Price complex. That complex is being demolished in phases. The Housing Authority of Covington is moving toward scattered site public housing. Jacob Price was in an area with an overwhelming minority concentration. The Housing Authority of Newport had a HOPE VI about ten years ago, they are still replacement units with some funds. The HOME Consortium works with that agency to create a targeted mixed income Development along Hamlet Street in Newport.

Building Codes (Accessibility)

The City of Covington has adopted the Kentucky Building Code in its entirety. The Kentucky Building Code is based upon the BOCA National Building Code and incorporates its accessibility provision.

Discussion

Buying or refinancing a home may be one of the most important and complex financial decisions an individual will ever make. It is important that a prospective homebuyer or homeowner be a smart consumer. If not properly educated, minorities, seniors and low-income persons can become victims of predatory lending practices.

Covington and other cities in the Northern Kentucky HOME Consortium works with Brighton Center in Newport, KY, which has been designated by Kentucky Housing Corporation as the only regional pre-purchase counseling center. The Brighton Center 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 Development Department and Housing Authority also provides housing and financial counseling through its Family Self-Sufficiency Program and is investigating ways to provide post purchase counseling.

Catholic Charities in Covington administers a homebuyer education class through the NeighborWorks network that is utilized by all the Consortium cities. They see anywhere between 3-10 people in their classes. After an individual goes to the class, that person receives individual counseling. These services are also made available in Spanish.

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.

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. 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. The fifth operating year of the Northern Kentucky HOME Consortium took place in the 2012-13 Program Year, which was comprised of the City of Covington working through an Interlocal Agreements with the cities of Ludlow, Newport, Bellevue and Dayton. This HOME Consortium remains the only one in Kentucky. The third year of the second term of operating under a new Interlocal Agreement will be the 2013-14 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

- Attended meetings of the Region III Continuum of Care.
- 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 laid forth on March 31, 2006.
- 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 developed a Strategic Plan that includes input from every stakeholder in the City.
- 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 with Covington Human Rights Commission and the Latino Forum.

Discussion

Program Specific Requirements

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

Introduction

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(l)(1)

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

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

Other CDBG Requirements

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

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

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

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 afford 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