

Covington, Kentucky

ANNUAL ACTION PLAN

2019 – 2020



Presented to U.S. Department of Housing and Urban Development
Louisville Office of Community Planning and Development
Approved by Covington City Commission:
Approved by the U.S. Department of Housing and Urban Development:

Executive Summary

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

1. Introduction

The 2019-2020 City of Covington, Kentucky Annual Action Plan is the result of a collaborative process to identify housing and community development needs. This plan is the seventh of seven annual plans implementing the 2013-2020 Consolidated Plan. The Consolidated Plan creates strategies and sets goals for the investment of the City's annual allocations of Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) funds from the U.S. Department of Housing and Urban Development (HUD). This Annual Action Plan identifies available resources, sets annual goals, and outlines projects and activities for the period beginning July 1, 2019 and ending June 30, 2020. The creation of an Annual Action Plan is required to outline how these funds will be utilized. This plan will also demonstrate to HUD, Covington's plans to effectively and efficiently utilize the federal resources that are provided.

The City of Covington, Kentucky is an entitlement jurisdiction that receives an annual formula allocation of CDBG and HOME funds from HUD for community development and affordable housing activities. Covington is the lead agency of the NKY HOME Consortium. The NKY HOME Consortium includes the member cities of Ludlow, Newport, Bellevue and Dayton. These member cities are included in this plan as it relates to the use of HOME funds.

The Annual Action Plan includes a budget that encompasses revenue from multiple sources. These include new formula based entitlements, program income/recaptured funds and carry-over/unexpended funds. The CDBG and HOME funds encompass a wide range of eligible activities designed to benefit low- and moderate-income Covington residents. A description of the grants and budgets is outlined below:

CDBG

The Housing and Community Development Act of 1974 created the CDBG Program to develop viable urban communities by providing decent housing, a suitable living environment, and expanding economic opportunities, principally for persons of low- and moderate-income. The CDBG regulations require that at least 70 percent of all CDBG funds are used to benefit low- and moderate-income residents who are members of households that earn less than 80 percent of Area Median Income (AMI).

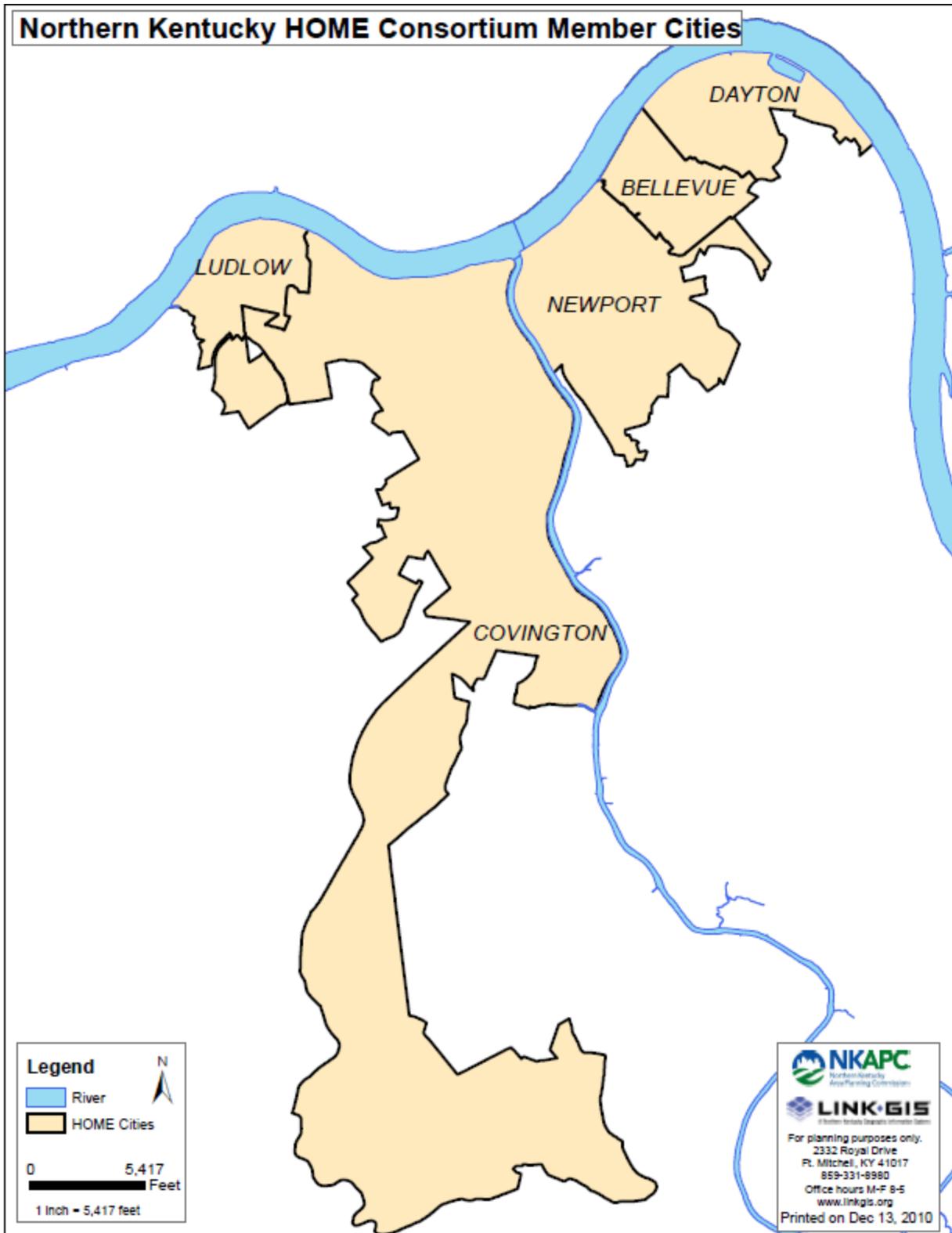
For the 2019-2020 program year, the City will receive \$1,460,136 in formula allocation, program income/recaptured funds is estimated to be \$50,000, and carry-over/unexpended funds is \$1,109,651, totaling \$2,619,787 available for eligible activities.

The City has identified priority projects based on staff and community input. The allocation of CDBG funds will be done in a strategic manner to maximize the benefit to the community. Multiple CDBG projects will coincide with each other to leverage the impact. For example, public improvements and streetscape enhancements occurring in targeted areas will be done in coordination with park improvements, code enforcement, crime prevention efforts, property rehab programs, and economic development initiatives.

HOME

The Cranston-Gonzalez National Affordable Housing Act created the HOME program to give states and local governments a flexible block grant funding source to use for a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people. The sole purpose of the HOME program is creating affordable housing opportunities for low-income households.

For the 2019-2020 program year, the City will receive \$521,288 in formula allocation, program income/recaptured funds is estimated to be \$100,000, and carry-over is \$767,968, totaling \$1,389,256 available for eligible activities.



Northern KY HOME Consortium Map

2. Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

Goals and Objectives

The City of Covington and Northern Kentucky HOME Consortium FY 2013-2020 Consolidated Plan provides a framework to identify and prioritize housing and community development needs. Within this timeframe the City of Covington will focus on the following objectives:

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

3. Evaluation of past performance

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

In order to effectively set goals and create projects and activities for the upcoming program year, City staff from multiple departments completed an evaluation of past performance. This evaluation focused on goals achieved, program successes and program administration. The evaluation concluded that the City's investment of HUD resources has had a positive impact on the community. These funds have been leveraged with other federal, state and local funds to be a catalyst for positive change.

CDBG funds were utilized successfully to implement infrastructure and other public improvements, park improvements, recreation programming, business retention efforts, crime prevention activities, targeted code enforcement, affordable housing development and homeowner rehab programs.

The evaluation also concluded that these activities could have even more impact if they were focused more strategically and coordinated more effectively with other investments. To maximize impact and benefit to our residents, the investment of CDBG funds will be done in a more strategic manner. Multiple CDBG projects will coincide with each other to leverage the impact. For example, public improvements and streetscape enhancements occurring in targeted areas will be done in coordination with park improvements, code enforcement, crime prevention efforts, property rehab programs, and economic development initiatives.

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

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

The City of Covington has an adopted Citizen Participation Plan. The purpose of the Plan is to encourage participation by all sectors of the community, particularly low and very-low income persons, in the development of the City of Covington and the NKY HOME Consortium Consolidated Plan and Annual Action Plan. The public needs hearing notices were posted on the City website, sent directly to email subscribers, sent to stakeholder groups, and published in the Cincinnati Enquirer at least fourteen (14) days prior to the hearing. The City also placed posters in English and Spanish in high traffic areas of the City advertising the hearing. The notice included instructions for special needs populations, such as hearing, visual or mobility impaired persons to notify the City so necessary arrangements could be made for their participation.

The public hearings were held during the week, after 6:00 P.M. in the architecturally barrier free meeting rooms.

The City also sent out a community needs survey asking members of the public to offer opinions and insight on community needs and funding priorities.

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

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

Any complaint, view or pertinent comment that was received either verbally or in writing, was substantially responded to within a 15 day period.

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

5. Summary of public comments

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

Please see attached documents outlining citizen participation comments and responses.

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

All comments received during plan development and during the draft plan public comment period were accepted and taken into consideration in developing the final Action Plan.

7. Summary

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

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

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

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

Agency Role	Name	Department/Agency
Lead Agency	COVINGTON	
CDBG Administrator	COVINGTON	Neighborhood Services Department
HOPWA Administrator		
HOME Administrator	COVINGTON	Neighborhood Services Department
HOPWA-C Administrator		

Table 1 – Responsible Agencies

Narrative

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

Consolidated Plan Public Contact Information

Primary Contact:

Jeremy Wallace, Community Development Manager

City of Covington, KY

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

1. Introduction

The lead agency responsible for administering programs covered by the 2013-20 Consolidated Plan is the City of Covington's Neighborhood Services Department.

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

Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(l)).

To foster coordination between public and private service agencies, the City of Covington continues to:

-Participate in Southbank Partners. Southbank Partners represents a collaboration of Northern Kentucky private citizens, business leaders, local government administrators and elected officials serving as a catalyst for economic development. Ludlow, Covington, Newport, Bellevue, and Dayton are all participating members.

-Be the Lead Entity in the Northern KY HOME Consortium. The NKY HOME Consortium is an inter-local agreement between Covington, Ludlow, Newport, Bellevue and Dayton created to increase affordable housing opportunities in the region.

-Attend meetings of the Continuum of Care as needed. Provide technical assistance and assist Continuum of Care agencies with grant applications for homeless programs and services.

-Partner with the Northern Kentucky Independent District Health Department on policies, systems and environmental change impacting chronic disease. Coordinate resources to address lead based paint hazards in low-income housing.

-Participate in the OKI Regional Council of Governments planning efforts.

-Participate in regional planning efforts of The Alliance (formerly Vison 2015) to promote local economic development initiatives.

-Partner with the Covington Economic Development Authority to provide technical assistance and funding opportunities for economic development projects.

-Partner with local housing counseling agencies to promote homebuyer education classes, homebuyer assistance programs and foreclosure prevention programs.

-Partner with local for-profit and non-profit housing developers to create affordable housing opportunities.

-Provide technical assistance to public housing agencies in support of their homeownership and self-sufficiency programs.

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

In preparing our Consolidated Plan and Annual Action Plan, a Focus Group was convened representing as many stakeholders as possible. Primary members of the Region III Continuum of Care attended every meeting to assist with review, analysis and development of the Consolidated Plan. These organizations are Welcome House of Northern Kentucky and Northern Kentucky Community Action Commission. These are two of the largest Social Service agencies in Northern Kentucky providing services to our homeless population. All strategies identified in the Consolidated Plan and Annual Action Plans are a direct result of the Focus Group, Public Input, Demographic analysis, Community Needs and available resources. To enhance further coordination, stakeholders were invited to participate in focus group meetings each subsequent year to provide input regarding the Annual Action Plans for those years. Representatives of Homeless Providers or agencies providing services to homeless persons were invited, such as: Emergency Shelter of Northern Kentucky, Transitions, Welcome House of Northern Kentucky, Northern Kentucky Community Action Commission, and Covington Schools.

The City of Covington attends meetings and offers assistance to the Continuum of Care as needed. The City provides technical assistance to these local CoC providers for their homeless grant applications: Center for Independent Living Options, Transitions Inc., and Welcome House. The City completes the required environmental reviews for HUD CoC grant recipients.

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

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

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

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

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Table 2 – Agencies, groups, organizations who participated

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

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

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

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

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

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

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

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

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Northern Kentucky Area Development District	The Ten Year Plan to End Homelessness stresses the need for affordable housing. Through the mix of public housing, Section 8, HOME and CDBG funds in our communities, this objective is addressed.
Covington Housing Strategy	Center for Great Neighborhoods	The Housing Strategy is currently being developed in conjunction with existing plans as well as the 2013-2020 Consolidated Plan. Both plans stress that housing is a highly important economic development initiative. The 2013-2017 Con Plan addresses the creation of quality, affordable housing. There are many housing needs in the community and these plans cover the proper mix for a balanced approach. The Housing Strategy is not funded by the City of Covington, but rather the Local Initiative Support Corporation.
Management Partners Report	City of Covington	HUD and the Con Plan encourage the efficient use of funds. The Management Partners Report recommended reorganizing the Community Development Department, which includes the CDBG and HOME Programs to more efficiently administer federal funds.
Covington Center City Action Plan	City of Covington	The Con Plan and the Center City Action Plan (3CAP) both establish living sustainability, which is making our community a fully viable and attractive place to live for diverse incomes, ages, and socio-cultural characteristics. The 3CAP and Con Plan both stress increasing homeownership and promoting reinvestment of existing housing stock by preserving and rehabilitating existing housing.
Vision 2015	Vision 2015	Vision 2015 is a community planning initiative that defined the future of Northern Kentucky by producing a 10-year strategic blueprint. The City of Covington and the Northern Kentucky HOME Consortium had representation on Vision 2015. Covington and the HOME Consortium helped implement the goals of Vision 2015.
Community Reinvestment Plan	City of Covington	This is a five-year strategic reinvestment into five main categories: infrastructure, parks, facilities, fleet management and community development. This plan will support nearly \$72 million of reinvestment into Covington.

Table 3 – Other local / regional / federal planning efforts

Narrative

AP-12 Participation - 91.401, 91.105, 91.200(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting

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

The input received through this outreach gave City staff a broad understanding of community needs and priorities. This input was used to create the goals and priorities for the Annual Action Plan.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
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1	Internet Outreach	Non-targeted/broad community	<p>The City advertised the public needs hearing and public comment opportunities broadly through its social media channels. Staff created a brief survey asking the public to provide input on areas of community need. The survey was sent to the City's e-mail subscriber list and posted for the general public on the City website and social media channels. Results of the survey were analyzed and included in the planning process. The City's response to comments is provided as an attachment</p>	<p>Comments are included as an attachment to the Action Plan.</p>	<p>The Northern Kentucky HOME Consortium and the City of Covington responded as appropriate to comments and questions received. Some concerns were raised in the form of opinions, not questions, so it was not appropriate for the Consortium or City to respond.</p>	
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Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
			to the Action Plan.			
2	Notice on Local Cable Public Access Channel	Non-English Speaking - Specify other language: Spanish Non-targeted/broad community	The City advertised the Public Needs Hearing on the local public access channel for the Telecommunications Board of Northern KY. The ad was posted in English and Spanish and ran for approximately 10 days prior to the hearing.	Comments are included as an attachment to the Action Plan.	The Northern Kentucky HOME Consortium and the City of Covington responded as appropriate to comments and questions received. Some concerns were raised in the form of opinions, not questions, so it was not appropriate for the Consortium or City to respond.	

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

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

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
5	Public Hearing	<p>Non-English Speaking - Specify other language: Spanish</p> <p>Non-targeted/broad community</p>	<p>5 people in attendance. The City's response to comments is provided as an attachment to the Action Plan.</p>	<p>Comments are included as an attachment to the Action Plan.</p>	<p>The Northern Kentucky HOME Consortium and the City of Covington did not respond to the comments from the general discussion. As you will note, the Northern Kentucky HOME Consortium and the City of Covington responded as appropriate to comments and questions received. Some concerns were raised in the form of opinions, not questions, so it was not appropriate for the Consortium or City to respond.</p>	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
6	Newspaper Ad	Non-English Speaking - Specify other language: Spanish Non-targeted/broad community	Legal Advertisement was placed in the Kentucky Enquirer advertising the 30 day public comment period on the draft annual action plan and the public meeting to discuss the draft annual action plan.	Comments are included as an attachment to the Action Plan.	Comments are included as an attachment to the Action Plan.	
7	Newspaper article in the Northern KY Tribune	Non-targeted/broad community	Article contained information regarding the public meeting to discuss the draft annual action plan.	Comments are included as an attachment to the Action Plan.	Comments are included as an attachment to the Action Plan.	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
8	Internet Outreach	Non-targeted/broad community	The City advertised the draft annual action plan 30 day comment period and the public meeting to discuss the draft annual action plan broadly through its social media channels.	Comments are included as an attachment to the Action Plan.	Comments are included as an attachment to the Action Plan.	
9	Public Meeting	Non-targeted/broad community	Public meeting to review the draft annual action plan and provide comments. Meeting was held as part of a regularly scheduled City Commission meeting on May 21, 2019. The City's response to comments is provided as an attachment to the Action Plan.	Comments are included as an attachment to the Action Plan.	Comments are included as an attachment to the Action Plan.	

Table 4 – Citizen Participation Outreach

Expected Resources

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

Introduction

The Annual Action Plan includes a budget that encompasses revenue from three sources. These include new formula based entitlements, program income/recaptured funds, and carry-over/unexpended funds. The new formula based entitlements for Program Year 2019-20 are \$1,460,136 in Community Development Block Grant (CDBG) funding and \$521,288 in Home Investment Partnerships (HOME) funding for the Covington/Northern Kentucky HOME Consortium (which includes the River Cities of Ludlow, Newport, Bellevue and Dayton). The estimated program income/recaptured funds are \$50,000 in CDBG and \$100,000 in HOME. Program income/recaptured funds are generated through the repayment and/or recapture of loans. The anticipated carry-over/unexpended funds for CDBG is \$1,109,651 and for HOME is \$767,968.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	1,460,136	50,000	1,109,651	2,619,787	0	CDBG funds are used to benefit low and moderate income families or to eliminate blighted conditions.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available 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	521,288	100,000	767,968	1,389,256	0	HOME funds are used primarily to increase homeownership opportunities and the preservation and production of affordable rental housing. A required 15% will fund Community Housing Development Organizations(CHDOs)

Table 2 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

The City of Covington will leverage all available public sector and private sector dollars to achieve the greatest benefit.

CDBG funds will be leveraged with federal, state and local grants as well as local general fund dollars for public improvements and park improvements. CDBG funds will be leveraged with private investments through a competitive neighborhood improvement program. CDBG funds are paired with Housing Authority funds for crime prevention efforts in public housing complexes. In addition, CDBG funds will be used for the Upper Floor Residential Rehab Program which requires a 50% matching investment from the property owner.

The creation and maintenance of affordable housing requires the use of both government and private financing and the cooperation between the private and the public sector. Private mortgage financing, other forms of down payment assistance and buyer contributions will be leveraged with HOME to create homeownership opportunities. CHDO housing development projects will leverage funds by utilizing volunteer labor and donated property and materials.

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

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

The City owns several vacant buildings and numerous vacant lots that could be used for housing redevelopment, infill construction or community greenspace. New housing opportunities and additional greenspace are identified community needs. The City will evaluate these properties and attempt to redevelop them as appropriate. The City is completing a thorough survey of all publicly owned property to determine its viability and best use for redevelopment. The City will try to maximize the public benefit when considering the redevelopment of these properties, including the creation of new affordable housing opportunities.

The City has created a program to market these vacant properties for redevelopment. This program will work to identify qualified private sector and non-profit developers who are interested in redeveloping vacant properties.

Discussion

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

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

Annual Goals and Objectives

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

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	CDBG Administration	2013	2018	Affordable Housing Public Housing Homeless Non-Homeless Special Needs Non-Housing Community Development		All Programs	CDBG: \$291,201	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 50000 Persons Assisted Public service activities other than Low/Moderate Income Housing Benefit: 40640 Persons Assisted Rental units rehabilitated: 20 Household Housing Unit Homeowner Housing Rehabilitated: 42 Household Housing Unit Businesses assisted: 100 Businesses Assisted Housing Code Enforcement/Foreclosed Property Care: 300 Household Housing Unit
2	HOME Administration	2013	2018	Affordable Housing		All Programs	HOME: \$29,256	Homeowner Housing Added: 10 Household Housing Unit Direct Financial Assistance to Homebuyers: 90 Households Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
3	CDBG Program Staff	2013	2018	Affordable Housing Public Housing Homeless Non-Homeless Special Needs Non-Housing Community Development Program Staff		All Programs	CDBG: \$189,208	Public service activities other than Low/Moderate Income Housing Benefit: 25000 Persons Assisted Rental units rehabilitated: 20 Household Housing Unit Homeowner Housing Added: 10 Household Housing Unit Homeowner Housing Rehabilitated: 42 Household Housing Unit Direct Financial Assistance to Homebuyers: 90 Households Assisted
4	Business Development Staff	2013	2018	Non-Housing Community Development		All Programs	CDBG: \$44,921	Businesses assisted: 100 Businesses Assisted
5	NKY HOME Consortium Homebuyer Assistance Program	2013	2018	Affordable Housing		All Programs	HOME: \$500,000	Direct Financial Assistance to Homebuyers: 90 Households Assisted
6	Covington CHDO Development Projects	2013	2018	Affordable Housing		All Programs	HOME: \$860,000	Homeowner Housing Added: 10 Household Housing Unit
7	Code Enforcement Hardship Rehab/Repair	2013	2018	Affordable Housing Non-Homeless Special Needs		All Programs	CDBG: \$198,000	Homeowner Housing Rehabilitated: 32 Household Housing Unit

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
8	Upper Floor Residential Rent Rehab Program	2013	2018	Affordable Housing		All Programs	CDBG: \$400,000	Rental units rehabilitated: 20 Household Housing Unit
9	Streets, Playgrounds, Greenspace	2013	2018	Non-Housing Community Development		All Programs	CDBG: \$1,664,731	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 30000 Persons Assisted
10	Code Enforcement Staff	2013	2018	Affordable Housing Non-Housing Community Development		All Programs	CDBG: \$35,716	Housing Code Enforcement/Foreclosed Property Care: 300 Household Housing Unit
11	Recreation Programs	2013	2018	Non-Homeless Special Needs Non-Housing Community Development		All Programs	CDBG: \$95,000	Public service activities other than Low/Moderate Income Housing Benefit: 1000 Persons Assisted
12	Crime Prevention	2013	2018	Non-Housing Community Development		All Programs	CDBG: \$100,000	Public service activities other than Low/Moderate Income Housing Benefit: 40640 Persons Assisted
13	Relocation	2013	2018	Affordable Housing		All Programs	CDBG: \$2,000	Other: 3 Other

Table 3 – Goals Summary

Goal Descriptions

1	Goal Name	CDBG Administration
	Goal Description	Administrative costs cover the necessary staffing and resources to manage monitoring, reporting, required reviews and financial management of the CDBG Program. CDBG Admin also funds planning activities that support CDBG activities and goals.
2	Goal Name	HOME Administration
	Goal Description	HOME funds to cover staff costs related to monitoring, reporting, required reviews and financial management of the HOME Program.
3	Goal Name	CDBG Program Staff
	Goal Description	Funds to pay staff activity delivery costs for CDBG and HOME funded programs and projects.
4	Goal Name	Business Development Staff
	Goal Description	This activity funds staff that will implement the Business Retention Program and provide technical assistance to micro-enterprises. This supports the goal of expanding economic opportunities for low-income persons.
5	Goal Name	NKY HOME Consortium Homebuyer Assistance Program
	Goal Description	This is an interest-free, deferred loan program to assist low-income homebuyers with lender required down payment and closing costs. The purpose of this program is to expand affordable homeownership opportunities to low-income homebuyers.
6	Goal Name	Covington CHDO Development Projects
	Goal Description	Housing Opportunities of Northern Kentucky, The Center for Great Neighborhoods of Covington and Entryway, Inc. serve as our Community Housing Development Organizations and these funds will support 10 rehab for homeownership projects to provide affordable housing to low-income households. This supports the goal of increasing affordable housing opportunities.

7	Goal Name	Code Enforcement Hardship Rehab/Repair
	Goal Description	<p>The Code Enforcement Hardship Program assists low-income homeowners to address exterior property code violations. This is an interest-free, deferred/forgivable loan program.</p> <p>The Homeowner Repair Program assists low-income homeowners with urgent home repair needs such as furnace, electrical, plumbing, roof and sewer lateral repairs. This program gives preference to elderly, disabled and veteran households. This is an interest-free, deferred/forgivable loan program.</p> <p>The goal of these programs is to preserve affordable housing and repair sub-standard housing.</p>
8	Goal Name	Upper Floor Residential Rent Rehab Program
	Goal Description	<p>This program supports the rehab of new affordable residential rental units in the upper floors of mixed-use buildings. The goal of this program is to increase affordable rental housing opportunities through the rehab of vacant residential space. Property owners must provide a matching investment to the CDBG funding. The City has many vacant spaces above mixed-use buildings that are underutilized and could be re-purposed into affordable rental housing.</p>
9	Goal Name	Streets, Playgrounds, Greenspace
	Goal Description	<p>Funding will be used for LMI area benefit for public facility improvements, tree planting, infrastructure improvements, parks, playgrounds and greenspace projects. These investments will improve the public realm and quality of life for residents in low-income census tracts.</p>

10	Goal Name	Code Enforcement Staff
	Goal Description	Code enforcement staff inspects properties in targeted, deteriorating areas in low-income census tracts. This supports the goal of reducing blighted conditions and improving quality of life.
11	Goal Name	Recreation Programs
	Goal Description	CDBG funds are utilized for recreation programming activities for families and an early literacy program that is available for children from birth to the third grade.
12	Goal Name	Crime Prevention
	Goal Description	This activity funds crime prevention efforts and community policing above and beyond essential police coverage. Funding includes an agreement with the Housing Authority of Covington for officers in City Heights. Remaining funds will be used in other designated high crime areas.
13	Goal Name	Relocation
	Goal Description	Funds to pay eligible relocation costs when necessary for tenants/owners of CDBG assisted housing.

AP-35 Projects - 91.420, 91.220(d)

Introduction

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

#	Project Name
1	CDBG Administration
2	HOME Program Administration
3	Rehab Administration
4	CDBG Housing Services- HOME Program Delivery Costs
5	Parks and Recreation Staff Delivery Costs
6	Business Development-Retention Program
7	Homebuyer Assistance Program
8	CHDO Housing Development
9	Homeowner Repair Program for Emergency Repairs
10	Upper Floor Residential Rent Rehab Program
11	Public Improvements
12	Park Improvements
13	Code Enforcement
14	Recreation Programs
15	Police Anti-Crime Program
16	Relocation

Table 4 – Project Information

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

The City has identified priority projects based on staff and community input. The allocation of CDBG funds will be done in a strategic manner to maximize the benefit to the community. Multiple CDBG projects will coincide with each other to leverage the impact. For example, public improvements and streetscape enhancements occurring in targeted areas will be done in coordination with park improvements, code enforcement, crime prevention efforts, property rehab programs, and economic development initiatives.

HOME funding will be prioritized to address the shortage of affordable housing and the less than desirable homeownership rate. The HOME program will support increasing affordable housing and homeownership opportunities through down payment assistance programs and by creating new

affordable homeownership and lease to own units.

The city has a large inventory of aging housing stock, both owner and rental, in need of rehabilitation. Assistance to low-income homeowners to address home repair issues is an underserved need. Some of the obstacles to addressing this underserved need include: lack of adequate funding mechanisms; lack of qualified contractors; and ability to reach homeowners in need. To address this need, the City will continue to fund homeowner rehab programs, will market the programs to potential contractors, and will partner with local agencies who have contact with homeowners in need.

AP-38 Project Summary
Project Summary Information

1	Project Name	CDBG Administration
	Target Area	
	Goals Supported	Upper Floor Residential Rent Rehab Program Streets, Playgrounds, Greenspace Code Enforcement Hardship Rehab/Repair Crime Prevention Recreation Programs Code Enforcement Staff CDBG Program Staff Business Development Staff CDBG Administration Relocation
	Needs Addressed	All Programs
	Funding	CDBG: \$291,201
	Description	This project funds the administration of the CDBG Program.
	Target Date	6/30/2020
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Program administration costs include staff and related costs required for planning activities, overall program management, coordination, monitoring, reporting, recordkeeping and evaluation. Planning activities that will occur in PY 2019 include housing planning, consolidated planning/fair housing planning and the completion of park planning and a traffic study that were started in PY 2018.
2	Project Name	HOME Program Administration
	Target Area	
	Goals Supported	NKY HOME Consortium Homebuyer Assistance Program Covington CHDO Development Projects HOME Administration
	Needs Addressed	All Programs
	Funding	HOME: \$29,256
	Description	This project funds administrative costs for the HOME Program.
	Target Date	6/30/2020

	Estimate the number and type of families that will benefit from the proposed activities	Administration of the HOME Program will benefit approximately 100 low-income families through homeownership programs and housing development.
	Location Description	HOME Program funded activities occur city-wide in the Northern Kentucky HOME Consortium cities of Covington, Ludlow, Newport, Bellevue and Dayton.
	Planned Activities	Program administration costs include staff and related costs required for overall program management, coordination, monitoring, reporting, recordkeeping and evaluation.
3	Project Name	Rehab Administration
	Target Area	
	Goals Supported	Upper Floor Residential Rent Rehab Program Code Enforcement Hardship Rehab/Repair Relocation
	Needs Addressed	All Programs
	Funding	CDBG: \$86,215
	Description	This project funds staff delivery costs to administer CDBG funded residential rehab programs.
	Target Date	6/30/2020
	Estimate the number and type of families that will benefit from the proposed activities	The administration of rehab programs will benefit approximately 62 LMI homeowners/renters.
	Location Description	Rehab programs are available city-wide to low/mod income homeowners and renters.
	Planned Activities	Funds provide for staffing to support program delivery costs for CDBG funded residential rehab programs. Activities include: inspections, cost estimates, preparing specifications, qualifying applicants, processing draw requests/payments, etc. Rehab Admin funds are also being utilized to administer the City's Lead Hazard Reduction Program which is a grant awarded to the City from HUD's Office of Lead Hazard Control and Healthy Homes.
4	Project Name	CDBG Housing Services- HOME Program Delivery Costs
	Target Area	
	Goals Supported	NKY HOME Consortium Homebuyer Assistance Program Covington CHDO Development Projects
	Needs Addressed	All Programs

	Funding	CDBG: \$74,821
	Description	This project funds activity delivery costs to administer the City's HOME funded programs and projects.
	Target Date	6/30/2020
	Estimate the number and type of families that will benefit from the proposed activities	This project will benefit approximately 100 low-income households.
	Location Description	
	Planned Activities	Homebuyer Assistance programs are available city-wide in Covington, Ludlow, Newport, Bellevue and Dayton. There will be 10 CHDO rehab projects for low-income homeownership that will occur. Identified addresses include 3913 Leslie Avenue, 910 Greenup Street and 1934 Glenway Avenue in Covington, and 71 Parkview Avenue and 715 Saratoga Street in Newport. CHDO's are currently identifying other potential addresses.
	5	Project Name
	Target Area	
	Goals Supported	Streets, Playgrounds, Greenspace Recreation Programs
	Needs Addressed	All Programs
	Funding	CDBG: \$28,172
	Description	This project funds a portion of the salary costs for staff to administer CDBG funded park improvements and recreation programs.
	Target Date	6/30/2020
	Estimate the number and type of families that will benefit from the proposed activities	These funds will benefit low/mod income residents who utilize city parks and recreation programs.
	Location Description	Activities will occur at city park facilities that serve low/mod income neighborhoods.
	Planned Activities	Project delivery costs associated with CDBG funded park improvements and recreation programs.
6	Project Name	Business Development-Retention Program
	Target Area	
	Goals Supported	Business Development Staff

	Needs Addressed	All Programs
	Funding	CDBG: \$44,921
	Description	This project funds a portion of the salary costs for the staff person responsible for execution of the Business Development-Retention Program.
	Target Date	6/30/2020
	Estimate the number and type of families that will benefit from the proposed activities	This project will target assistance to micro-enterprises and businesses which provide goods or services to residents of a low/mod income residential area.
	Location Description	This activity will occur in low/mod income census tracts.
	Planned Activities	This project will fund of portion of the salary costs for staff to execute the Business Development-Retention Program. This program provides technical assistance to businesses in the City who provide goods or services to residents of a low/mod income residential area or to eligible micro-enterprises.
7	Project Name	Homebuyer Assistance Program
	Target Area	
	Goals Supported	NKY HOME Consortium Homebuyer Assistance Program
	Needs Addressed	All Programs
	Funding	HOME: \$500,000
	Description	This is an interest-free, deferred loan program to assist low-income homebuyers with lender required down payment and closing costs.
	Target Date	6/30/2020
	Estimate the number and type of families that will benefit from the proposed activities	This project will benefit approximately 90 low-income homebuyers.
	Location Description	This program is available to low-income homebuyers city-wide in the Northern Kentucky HOME Consortium member cities of Covington, Ludlow, Newport, Bellevue and Dayton.
Planned Activities	This is an interest-free, deferred loan program to assist low-income homebuyers with lender required down payment and closing costs.	
8	Project Name	CHDO Housing Development
	Target Area	
	Goals Supported	Covington CHDO Development Projects

	Needs Addressed	All Programs
	Funding	HOME: \$860,000
	Description	This project funds the required HOME CHDO set-aside for the creation of affordable housing units by qualified local CHDO's using the HOME Program. The City prioritizes the partnership with CHDO's and funds CHDO activities more than the minimum required set-aside.
	Target Date	6/30/2020
	Estimate the number and type of families that will benefit from the proposed activities	This project will benefit approximately 10 low-income households.
	Location Description	CHDO housing development will occur at 3913 Leslie Avenue, 910 Greenup Street, 1934 Glenway Avenue, 71 Parkview Avenue (Newport), and 715 Saratoga Street (Newport). Other potential addresses are currently being identified.
	Planned Activities	Single-family housing rehab or new construction to create new affordable housing units for homeownership, rental or lease to own.
9	Project Name	Homeowner Repair Program for Emergency Repairs
	Target Area	
	Goals Supported	Code Enforcement Hardship Rehab/Repair
	Needs Addressed	All Programs
	Funding	CDBG: \$198,000
	Description	The City's Homeowner Repair Program is designed to assist low/mod income homeowners with urgent home repair needs. The Program will assist homeowners with emergency repairs such as furnace, electrical, plumbing, roof and sewer lateral repairs.
	Target Date	6/30/2020
	Estimate the number and type of families that will benefit from the proposed activities	This activity will assist approximately 32 households. This activity is for low/mod income households only with a preference given to elderly, disabled and veteran households.
	Location Description	This activity is available city-wide on a first-come, first-served basis.
	Planned Activities	Single-family, owner-occupied, residential rehab to address urgent/emergency home repairs.
10	Project Name	Upper Floor Residential Rent Rehab Program
	Target Area	

	Goals Supported	Upper Floor Residential Rent Rehab Program
	Needs Addressed	All Programs
	Funding	CDBG: \$400,000
	Description	This project funds the Upper Floor Residential Rent Rehab Program. This program provides loans to property owners to redevelop vacant, upper-floor space in mixed-use buildings into affordable rental units.
	Target Date	6/30/2020
	Estimate the number and type of families that will benefit from the proposed activities	This project will benefit approximately 20 low/mod income households.
	Location Description	Units at 809 Madison Avenue, 302 W. MLK BLVD and 501 W. MLK BLVD will be rehabilitated under this activity. Other addresses will be identified based on an open application process. The program is available city-wide, targeted to vacant, upper-floor space in mixed-use buildings.
	Planned Activities	Rehabilitation of vacant, upper-floor space in mixed-use buildings into affordable rental-units.
11	Project Name	Public Improvements
	Target Area	
	Goals Supported	Streets, Playgrounds, Greenspace
	Needs Addressed	All Programs
	Funding	CDBG: \$1,008,741
	Description	This project will fund public improvements including street resurfacing, installation of ADA sidewalk ramps, and streetscape enhancements.
	Target Date	6/30/2020
	Estimate the number and type of families that will benefit from the proposed activities	This project will fund activities that will occur in qualified low/mod income census tracts to benefit low/mod income households on an area basis.
	Location Description	Street resurfacing is scheduled to be performed on deteriorated streets in the north section of the City based on a condition survey; installation of ADA ramps will coincide with street resurfacing where ramps do not already exist; streetscape enhancements will occur on Highway Avenue, on Scott Street, on Pike Street and in targeted business districts through a competitive neighborhood grant program.

	Planned Activities	Street resurfacing, installation of ADA sidewalk ramps, streetscape enhancements.
12	Project Name	Park Improvements
	Target Area	
	Goals Supported	Streets, Playgrounds, Greenspace
	Needs Addressed	All Programs
	Funding	CDBG: \$255,000
	Description	This project will fund facility improvements to the City's parks and trails system. A parks plan was completed to prioritize and set a schedule for ongoing parks improvements.
	Target Date	6/30/2020
	Estimate the number and type of families that will benefit from the proposed activities	This project will fund improvements to City park facilities that serve low/mod income residents.
	Location Description	Park improvements/facility upgrades will occur at the following park facility locations: Barb Cook Park; Goebel Park. There will also be small improvements to all City park facilities that include the installation of park signage, picnic tables, trash cans, grills, bike racks and dog waste stations. All park improvements will occur at park facilities that serve low/mod income neighborhoods.
	Planned Activities	Activities will include the installation of new playground equipment, park signage, picnic tables, trash cans, bike racks, dog waste stations, and design work for future park improvements.
13	Project Name	Code Enforcement
	Target Area	
	Goals Supported	Code Enforcement Staff
	Needs Addressed	All Programs
	Funding	CDBG: \$35,716
	Description	This project funds code enforcement staff to perform targeted code enforcement in low/mod income census tracts. This enforcement will occur in designated deteriorating areas and in conjunction with other investments meant to arrest the decline of the area.
	Target Date	6/30/2020

	Estimate the number and type of families that will benefit from the proposed activities	Code Enforcement is performed in targeted low/mod income census tracts to benefit low/mod income residents.
	Location Description	Targeted low/mod census tracts that have been designated as deteriorated areas receiving other investments to arrest the decline of the area.
	Planned Activities	Code enforcement officers will perform exterior housing/building code inspections to address blighted property conditions. These inspections will occur in targeted areas designated as deteriorated. These inspections will coincide with other City investments meant to address the decline of the area. These other investments will include public/infrastructure improvements, public facility improvements, and housing rehabilitation.
14	Project Name	Recreation Programs
	Target Area	
	Goals Supported	Recreation Programs
	Needs Addressed	All Programs
	Funding	CDBG: \$95,000
	Description	This project funds the Covington Early Literacy Initiative which is an early literacy campaign targeted to children from birth to the 3rd grade.
	Target Date	6/30/2020
	Estimate the number and type of families that will benefit from the proposed activities	This project funds activities that will serve Covington children and parents who live in low/mod income areas.
	Location Description	This activity is available to families whose children attend schools located within the boundaries of the Covington public and private school systems.

	Planned Activities	The City will organize and manage a collaborative between multiple agencies to provide an early literacy initiative for children in the City. This program will serve children from birth to the 3rd grade. The Covington Early Literacy Initiative is a CDBG public service program that aims to increase the academic success of Covington school children by focusing on improving early literacy. This initiative will be administered by the City and will utilize two research based early literacy apps, Rx for Success and Foot Steps 2 Brilliance, to transform the academic success of Covington school children. The City will hire a contractor to administer the program by marketing its use to local schools, pre-schools, kindergarten schools, after-school programs, and social service agencies that work with children. The program will also be marketed to parents to increase their participation in their child's literacy.
15	Project Name	Police Anti-Crime Program
	Target Area	
	Goals Supported	Crime Prevention
	Needs Addressed	All Programs
	Funding	CDBG: \$100,000
	Description	This project funds additional police patrols, community policing and crime prevention efforts at the City Heights public housing site in cooperation with the Housing Authority of Covington and in targeted areas of high crime as identified by the Police Department.
	Target Date	6/30/2020
	Estimate the number and type of families that will benefit from the proposed activities	This project will fund activities that benefit all residents in targeted low-mod income census tracts on an area basis.
	Location Description	City Heights public housing complex and targeted high crime areas identified by the Police Department.
Planned Activities	Additional police patrols in targeted areas of high crime, community policing strategies, crime prevention efforts.	
16	Project Name	Relocation
	Target Area	
	Goals Supported	Relocation
	Needs Addressed	All Programs
	Funding	CDBG: \$2,000

Description	This project funds relocation expenses to owners/occupants of units either acquired with federal money or for owner-occupied units undergoing rehab that require occupant relocation.
Target Date	6/30/2020
Estimate the number and type of families that will benefit from the proposed activities	This activity will benefit low/mod income homeowners who are receiving housing rehabilitation assistance from the City.
Location Description	This activity is linked with the City's homeowner rehabilitation programs which are available city-wide.
Planned Activities	Relocation assistance to owners/occupants of units either acquired with federal money or for owner-occupied units undergoing rehab that require occupant relocation.

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

The City of Covington has all low/mod income census tracts in the section of the city north of Interstate 275. CDBG activities are directed to these areas to benefit low/mod income residents on an area basis. For Program Year 2019-20, CDBG funds will be strategically invested geographically to maximize public benefit. Multiple CDBG projects will coincide with each other to leverage the impact. For example, public improvements and streetscape enhancements occurring in targeted areas will be done in coordination with park improvements, code enforcement, crime prevention efforts, property rehab programs, and economic development initiatives. The City will identify targeted areas of need and focus multiple CDBG investments to these areas.

HOME funds for homebuyer assistance are available city-wide in all Consortium cities. There is no targeting of homebuyer assistance funds. HOME housing development will occur in areas that have received previous housing development funds to continue the revitalization of those areas.

Geographic Distribution

Target Area	Percentage of Funds

Table 5 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

The City plans to focus the investment of CDBG funds into targeted geographic areas of need. Multiple CDBG activities will be coordinated together to maximize the impact and the public benefit. For example, in areas where street resurfacing occurs, the City will also look to do other public improvements i.e. streetscape enhancements, park improvements, code enforcement and crime prevention efforts. These activities will also be leveraged with private investments and other grant funds to increase the impact of the CDBG funds.

Some programs are targeted to individual households in need, not geographic areas. Programs like homeowner rehabilitation and homeownership assistance are available city-wide to benefit all eligible households who may need the assistance.

Discussion

Affordable Housing

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

Introduction

The City of Covington invests federal funds in the development of rental and homeownership units and the rehabilitation and repair of existing homeowner units. This section shows specific goals for the number of homeless, non-homeless, and special needs households that will be provided affordable housing during the 2019-20 program year. Also shown is the number of affordable housing units that will be provided with CDBG and HOME funds. Programs that will provide these units through CDBG are: the Homeowner Repair Program, the Code Enforcement Hardship Repair Program, and the Upper Floor Residential Rehab Program. Programs that will provide these units through HOME are: the Homebuyer Assistance Program and CHDO housing development.

One Year Goals for the Number of Households to be Supported	
Homeless	0
Non-Homeless	162
Special-Needs	0
Total	162

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	30
Rehab of Existing Units	42
Acquisition of Existing Units	90
Total	162

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

Discussion

The CDBG Code Enforcement Hardship Program will assist the rehab of 2 units.

The CDBG Homeowner Repair Program will assist the rehab of 30 units.

The CDBG Upper Floor Residential Rehab Program will assist the rehab of 20 units.

The Homebuyer Assistance Program will assist in the acquisition of 90 existing units.

Housing Opportunities of Northern Kentucky (HONK), Center for Great Neighborhoods (CGN) and Entryway, Inc.

serve as CHDOs for the Northern Kentucky HOME Consortium. These organizations will utilize our CHDO set-aside funds for projects within the boundaries of the Consortium. CHDO set-aside funds will create 10 new or rehabbed units. They are primarily homeownership but they may be lease-purchase projects.

CDBG funds will also support the rehabilitation of 10 existing housing units through the Lead Hazard Reduction Program which was awarded to the City in the spring of 2019.

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

Introduction

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

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

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

To address the continued need for public, affordable housing the Housing Authority of Covington and the City of Covington will continue to implement public housing programs and Housing Choice Voucher (HCV) programs respectively. Both agencies have many families on their respective waiting lists indicating the continued shortage of available, affordable rental housing. New families will be brought into the programs as soon as public housing units or Housing Choice vouchers become available. The HCV program holds monthly briefing sessions so enroll new families as soon as vouchers become available.

HCV staff will continue to implement a landlord recruitment program. There is currently a shortage of landlords in the service area willing to participate in the program. In PY 2018, HCV staff implemented a marketing campaign utilizing local media sources to highlight the HCV program in an effort to recruit new landlords and new available units to the program.

HCV staff is looking at new technology available for daily operations that will increase efficiencies and reduce costs. New project management software is being evaluated.

There will be initiatives to improve public housing facilities including building and infrastructure improvements, security installations and upgrades. There will be expansion of homeownership and resident self-sufficiency programs for public housing and HCV families.

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

The Housing Authority of Covington's Resident Services Department provides leadership and program support for Covington Public Housing programs. The Housing Authority of Covington's Resident Services Department is funded through both federal and private grants. The mission of the Housing Authority of Covington is to break the cycle of

generational poverty and foster economic self-sufficiency among residents living and/or being served by Covington Public Housing programs. The Housing Authority of Covington's objectives of its Resident Services Department are to provide quality programming, as well as resources, to low income families to address the barriers to economic self-sufficiency.

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

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

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

The PHA is not designated as troubled.

Discussion

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

Introduction

The City of Covington does not directly fund homeless programs or activities with HOME or CDBG funds. The City will continue to support and work with local homeless service providers and the Region III Continuum of Care to address the needs of homeless members of the community. The Region III Continuum of Care's goal is to end homelessness through support programs, rapid re-housing and permanent housing opportunities. The Continuum of Care developed a Ten Year Plan to End Chronic Homelessness in 2008. The City of Covington and Northern Kentucky HOME Consortium understand the detrimental impact that homelessness can have on our residents and are committed to working with our local organizations, the NKADD, the Kentucky Housing Corporation and HUD to develop a comprehensive, coordinated approach to ending chronic homelessness. Covington signed on to HUD's Mayor's Challenge to End Veteran Homelessness in 2014.

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

The City will continue to support the Continuum of Care and the local agencies that offer homeless support services. These agencies include Welcome House of Northern KY, NorthKey, Transitions, Inc. and the Center for Independent Living Options.

These agencies manage multiple programs that address the needs of the homeless population. Welcome House administers the Gaining Access Through Programs and Support (GAPS) program which assists homeless individuals and families to connect with assistance programs and housing. Transitions, Inc. manages the Permanent Housing Program which identifies needs and connects the homeless population to support programs and housing assistance.

Addressing the emergency shelter and transitional housing needs of homeless persons

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

Welcome House's GAPS program works with homeless individuals and families to address their transitional housing needs while also working with them on permanent housing solutions.

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

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing

units, and preventing individuals and families who were recently homeless from becoming homeless again

Permanent housing for the homeless is a top priority for this region. The City will continue to support the efforts of the Continuum of Care and the local agencies that address these needs. These agencies include Welcome House of Northern KY, NorthKey, the Center for Independent Living Options and Transitions, Inc.

These agencies administer multiple programs to assist homeless individuals make the transition to permanent housing and independent living. These programs include:

- Center for Independent Living-Housing for Persons with Disabilities: supportive housing program utilizing scattered site units and providing support services for homeless individuals with disabilities
- Transitions, Inc.-Permanent Housing Program: combines four previous housing programs operated by Transitions, Inc.; provides homeless services and case management to homeless individuals at 4 project sites; provided direct assistance to 36 homeless individuals and families
- Welcome House-Rapid Re-Housing Projects: Tenant Based Rental Assistance programs with supportive services focusing on moving homeless families with children to permanent housing
- Welcome House- GAPS: program utilizes a Housing First approach; focuses on moving participants from emergency shelters into permanent housing

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.

The Region III Continuum of Care includes agencies that are working to reduce homelessness and to create programs to prevent homelessness. Agencies that administer programs to assist individuals and families to avoid becoming homeless include NorthKey, Welcome House of Northern KY and Transitions, Inc. The City will continue to support these efforts.

Discussion

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

Introduction

Common barriers to affordable housing may be public policies or non-governmental conditions that hamper the development or rehabilitation of affordable housing. These conditions include land use controls, property taxes, state prevailing wage requirements, environmental protection, cost of land and availability of monetary resources.

Barriers to affordable housing in the City of Covington include lack of available land, lack of monetary resources, cost of property rehabilitation, outdated zoning regulations, local historic preservation guidelines and cost of building permitting and fees.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

The City of Covington has selected consultants to draft a complete re-write of the City's current zoning ordinances. There are provisions in the current zoning code that could have negative effects on affordable housing development. Factors that currently exist that could be modified to be less onerous to development include: density limitations; rules on infill housing development; allowances for duplexes in certain areas; allowing additional units to be added to single-family residences; allowing accessory structures i.e. carriage houses; and complex local historic preservation guidelines.

Discussion

The City creates affordable housing opportunities through the Homebuyer Assistance Program, HOME Housing Development and the Upper Floor Residential Rehab Program. The City preserves affordable housing through its residential rehab programs.

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

Introduction

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

Actions planned to address obstacles to meeting underserved needs

Obstacles to meeting underserved needs have been identified. These obstacles include: the lack of adequate financial resources, the need for increased supportive services, the increasing cost of housing, the need to expand economic opportunities, the need to coordinate resources, and the need to inform households of available services. Based on the American Community Survey, 30% of renters earning below \$20,000 annually pay more than 30% of their income towards housing. The community's unmet demand for permanent affordable housing is evidenced by the long waiting lists for public housing and Housing Choice Voucher assistance.

To address these underserved needs, programs funded with CDBG and HOME will continue to create and preserve affordable housing opportunities through homeownership programs, housing development, and housing rehabilitation programs. CDBG and HOME funds will be leveraged with other funding sources and CDBG funded activities will be coordinated together to maximize the public benefit. Outreach will be expanded to ensure that the public is aware of available resources and programs. The City has partnered with local agencies who assist underserved populations to promote CDBG and HOME funded programs and activities that are available.

To address underserved needs, all CDBG and HOME investments for program year 2019-20, will directly benefit low/mod income residents.

Actions planned to foster and maintain affordable housing

The City will invest HOME and CDBG funds in the following activities to foster and maintain affordable housing:

Homebuyer Assistance Program: The City offers interest-free, deferred, forgivable loans to assist low-income homebuyers with lender required down payment and closing costs. This program's goal is to increase homeownership among low-income households and expand housing choice by allowing buyers to purchase homes throughout the Consortium member cities of Covington, Ludlow, Newport, Bellevue and Dayton.

CHDO Housing Development: A CHDO is a private nonprofit, community-based service organization that has achieved a special designation as a developer of affordable housing. The City of Covington is required to reserve no less than 15 percent of HOME funds for investment in housing to be developed by CHDOs. The City has been very successful in this housing development partnership and thus is budgeting 62% of the total HOME funds available to

CHDO Housing Development. The City will solicit proposals from its CHDO partners for this funding.

Owner-Occupied Housing Rehab: The City offers forgivable loans for low/mod income homeowners to address urgent home repair needs or to alleviate code enforcement cited exterior code violations. The City will also be administering a lead based paint hazard reduction program as a result of a new HUD grant award from the Office of Lead Hazard Control and Healthy Homes.

Upper Floor Residential Rehab Program: This program provides loans to property owners to create new affordable rental units in vacant, upper floor space in mixed-use buildings.

Actions planned to reduce lead-based paint hazards

The City of Covington will comply with HUD's Lead Safe Housing Rule by strictly adhering to the City's implemented Lead Based Paint Policy as follows:

All homes that were built pre-1978:

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

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

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

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

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

dust hazards remain in the work area.

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

The City will also administer a new lead based paint hazard reduction program with newly awarded grant funds from HUD's Office of Lead Hazard Control and Healthy Homes. This new program will eliminate lead based paint hazards in 58 homes over a three year period targeting low-income residents with children under six years of age at risk for lead poisoning.

Actions planned to reduce the number of poverty-level families

Programs funded with CDBG and HOME provide homeowner rehabilitation and repairs, production of new rental and homeowner units and down payment assistance for income-eligible homebuyers. These activities, that produce and preserve affordable housing, are important in reducing the number of poverty-level families in the city. Using CDBG funding, city programs also support activities that provide public services and recreational activities.

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

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

Actions planned to develop institutional structure

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

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

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

work towards implementing the goals of the Consolidated Plan.

The City realigned staff to ensure clear roles and responsibilities and will continue to update the procedures to monitor all HOME and CDBG programs and activities internally and externally to ensure program effectiveness and efficiency. All individual activity files are monitored by the Community Development Manager to ensure compliance with all program rules and regulations. This includes homeowner rehab programs, homebuyer programs, recreation programs, public facilities and improvements, business retention programs, crime prevention efforts, code enforcement and any other activities funded in whole or in part with HOME or CDBG. An onsite monitoring schedule will be created for all external monitoring requirements such as CHDO annual monitoring and past projects funded with CDBG or HOME that require ongoing monitoring. External monitoring will be conducted by the Community Development Manager and/or the CDBG-HOME Program Coordinator. No CDBG or HOME funds are committed for any project or activity without prior review by the Community Development Manager.

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

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

The City utilizes these agencies to promote city assistance programs. The City will enter into MOU's with many of these agencies to promote the new Lead Based Paint Hazard Control Program and to refer families for assistance.

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

Discussion

Program Specific Requirements

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

Introduction

The following are the program specific requirements for the Annual Action Plan.

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

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

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	50,000
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	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:	50,000

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:

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

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

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

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

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

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

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

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

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME

funds? See 24 CFR 92.254(a)(4) are as follows:

See above description.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

Not applicable.

