



LOUISVILLE METRO DEPARTMENT OF
**COMMUNITY SERVICES
AND REVITALIZATION**

TO: The General Public
FROM: Louisville Metro Dept. of Community Services and Revitalization
DATE: April 13, 2012
RE: Draft 2012 Action Plan

This binder contains a draft of Louisville/Jefferson County Metro Government's 2012 Action Plan. The focus of the plan is proposed uses of U.S. Department of Housing and Urban Development entitlement funds for Fiscal Year 2013. The purpose of the funds is to provide decent, affordable housing, ensure suitable living environments and expand economic opportunity.

There will be a 30-day public comment period on these draft documents. Comments should be submitted by May 13, 2012 and may be sent to:

Louisville Metro Department of Community Services and Revitalization
ATTN: Erin Waddell
810 Barret Avenue, Suite 240
Louisville, KY 40204

The draft plan is also available electronically and comments may be submitted online (by May 13, 2012) at: <http://www.louisvilleky.gov/CSR>

There will be a public hearing on the plan:

Tuesday, April 24, 2012

6 pm

Mayor's Gallery, 4th Floor, Metro Hall, 527 West Jefferson Street



Louisville/Jefferson County Metro Government Action Plan

Program Year 2012



April 13, 2012

**Prepared by the Louisville Metro Department of Community Services and
Revitalization**

Adria Johnson, Interim Director



Louisville/Jefferson County Metro Government

Greg Fischer
Mayor

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Table of Contents
Louisville/Jefferson County Metro Government
DRAFT 2012 Action Plan

Executive Summary	1
General Questions	2
Areas of Geographic Concentration	2
Geographic Distribution of Activities	2
Obstacles to Meeting Underserved Needs	9
Available Federal Resources	10
Entitlement Specific Budgets	11
Managing the Process	17
Lead Agency	17
Plan Development	17
Coordination	18
Institutional Structure	18
Monitoring	19
Lead-based Paint	22
Housing	22
Specific Housing Objectives	23
Needs of Public Housing	28
Barriers to Affordable Housing	32
Affirmatively Furthering Fair Housing	33
Annual Affordable Housing Goals	33
HOME Specific Questions	34
Homeless	39
Sources of Funds	39
Homelessness Objectives	39
Chronic Homelessness	40
Homelessness Prevention	41
Discharge Coordination Policy	41
Emergency Shelter Grants	42
Community Development	42
Antipoverty Strategy	48
Non-homeless Special Needs	48
Housing Opportunities for People with AIDS	49
Specific HOPWA Objectives	52



Third Program Year Action Plan

Narrative Responses

GENERAL

Executive Summary

Louisville/Jefferson County Metro Government (Louisville Metro) is a consolidated city/county government. Its jurisdiction is Jefferson County, Kentucky, with an estimated population of 729,452 persons (2006-2010 American Community Survey 5-Year Estimates). Louisville Metro Department of Community Services and Revitalization (LMCSR) is the lead agency responsible for preparing, administering, monitoring and reporting on the jurisdiction's Five Year Consolidated Plan and annual Action Plans. Louisville Metro's 2012 Action Plan covers four entitlement programs: Community Development Block Grant, HOME Investment Partnerships, the Emergency Solutions Grant (formerly Emergency Shelter Grant) program and Housing Opportunities for Persons with AIDS.

Programs identified in the plan will cover the five basic goals identified in the 2010 – 2014 Consolidated Plan. These goals are as follows:

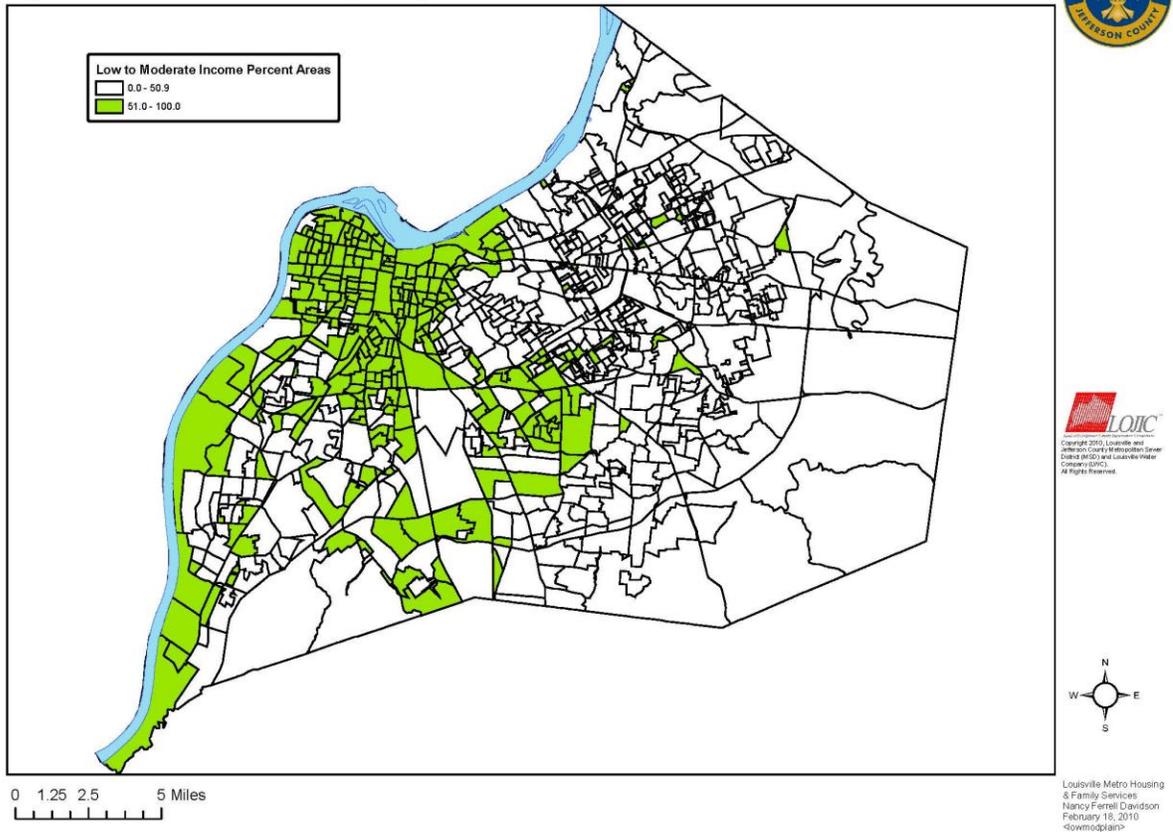
1. Residents have a range of choices for safe, decent, secure and affordable housing.
2. Energize the regional economy and stabilizes neighborhoods by providing resident with access to livable wage jobs, education and training to qualify for those jobs, and business ownership opportunities that create jobs and increase the tax base.
3. Foster a suitable living environment by improving physical conditions and the quality of life in distressed neighborhoods and throughout the community.
4. Reduce the incidence of homelessness in the Louisville Metro community.
5. Address the special needs of Louisville Metro residents, including providing housing and supportive services to person with AIDS and their families.

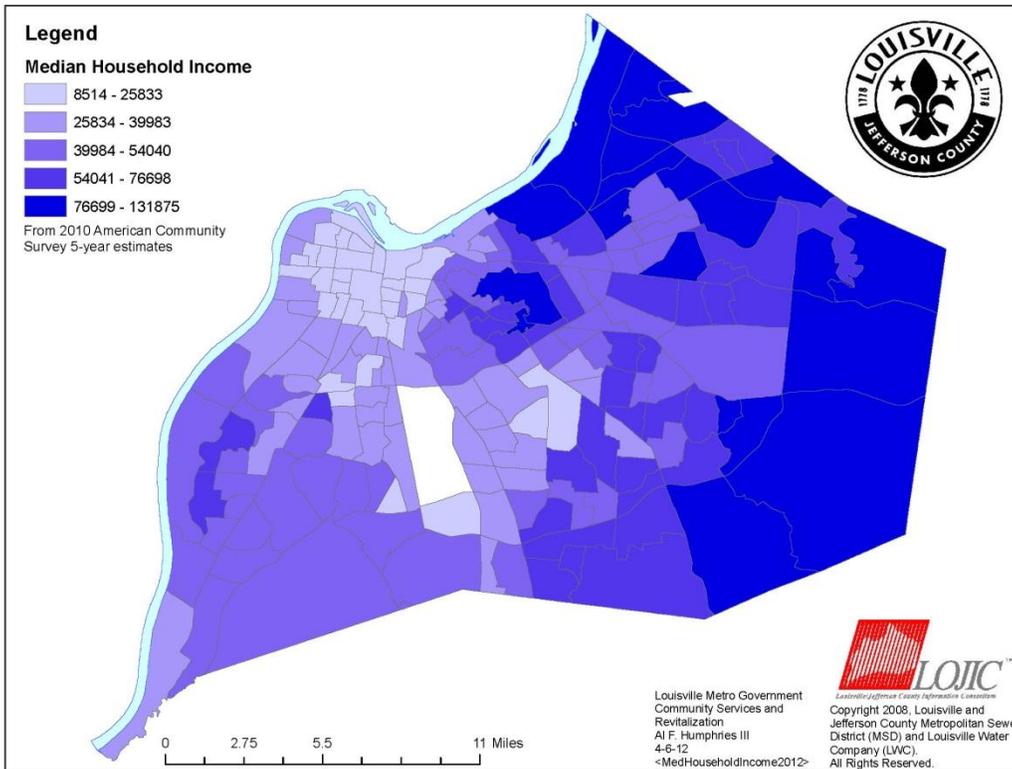
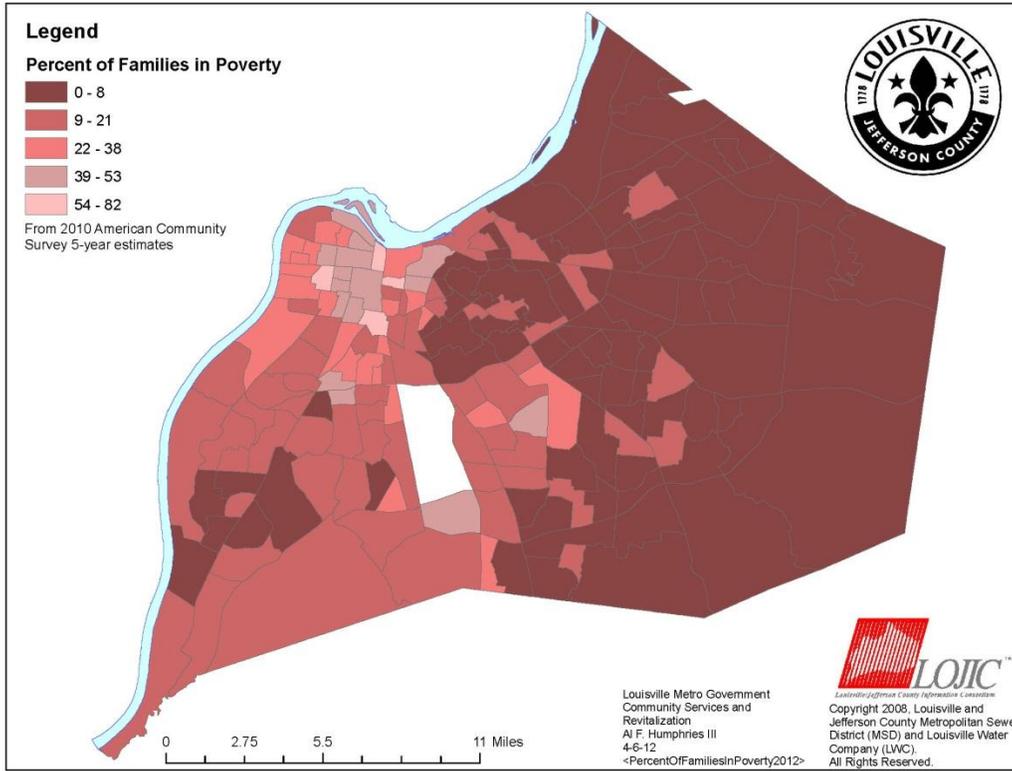
The funding amounts for CDBG, HOME, ESG, and HOPWA are based on the Federal Budget allocations and will be available during Louisville Metro Government's Fiscal Year 2013. Project specific estimates are also provided and are subject to change based on the allocation received. All programs and funding amounts will be included in Louisville Metro's Mayor's Recommended FY 2013 budget and should be considered tentative until approved by the Louisville Metro Council.

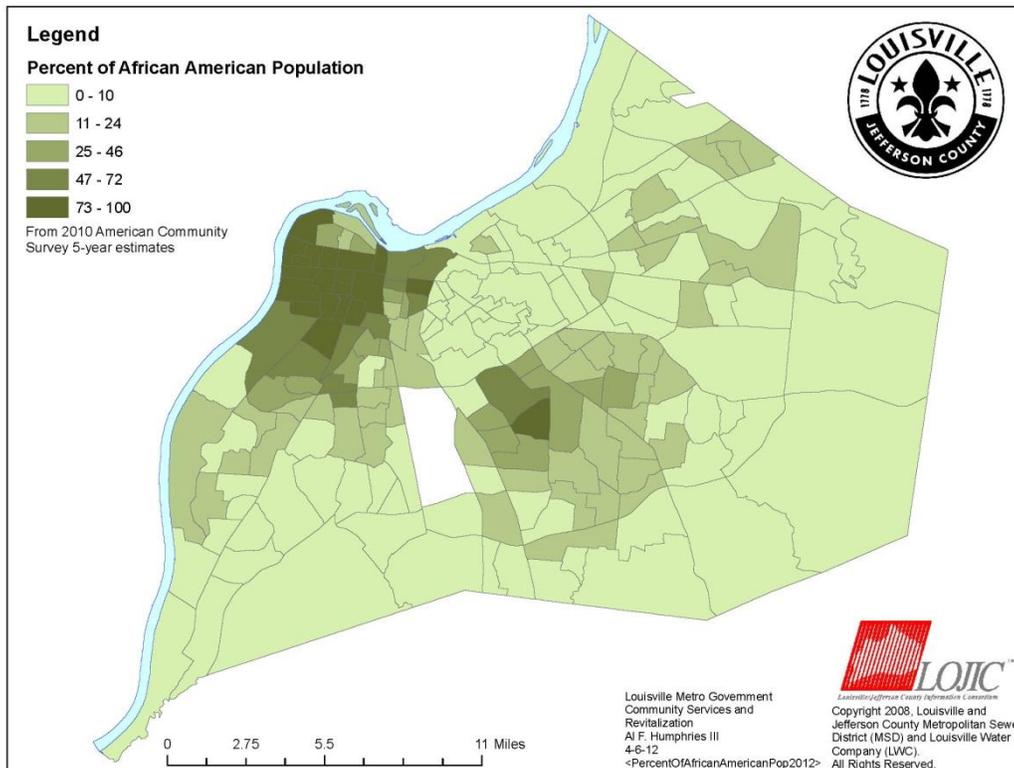
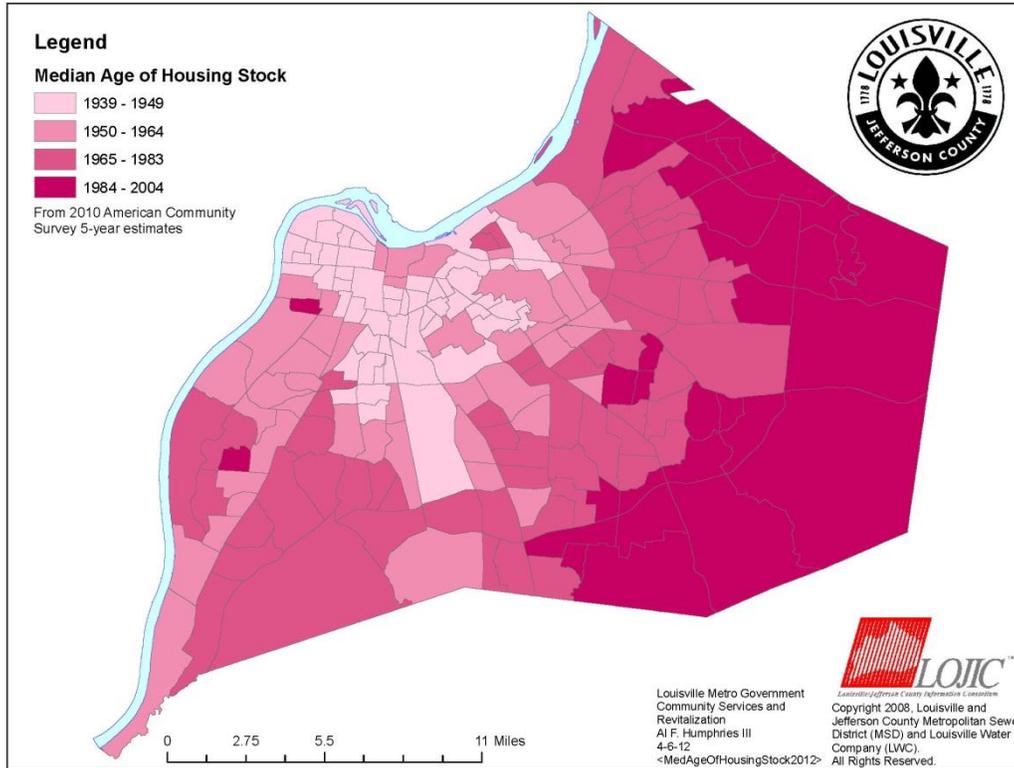
Areas of Geographic Concentration

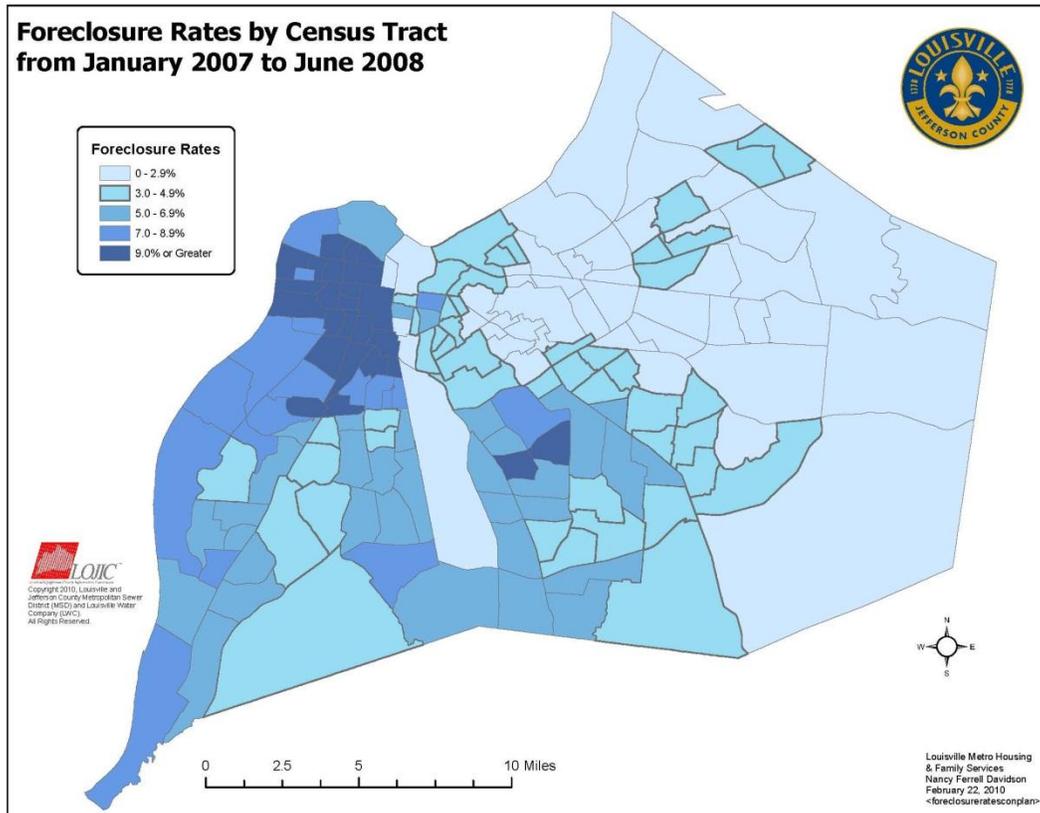
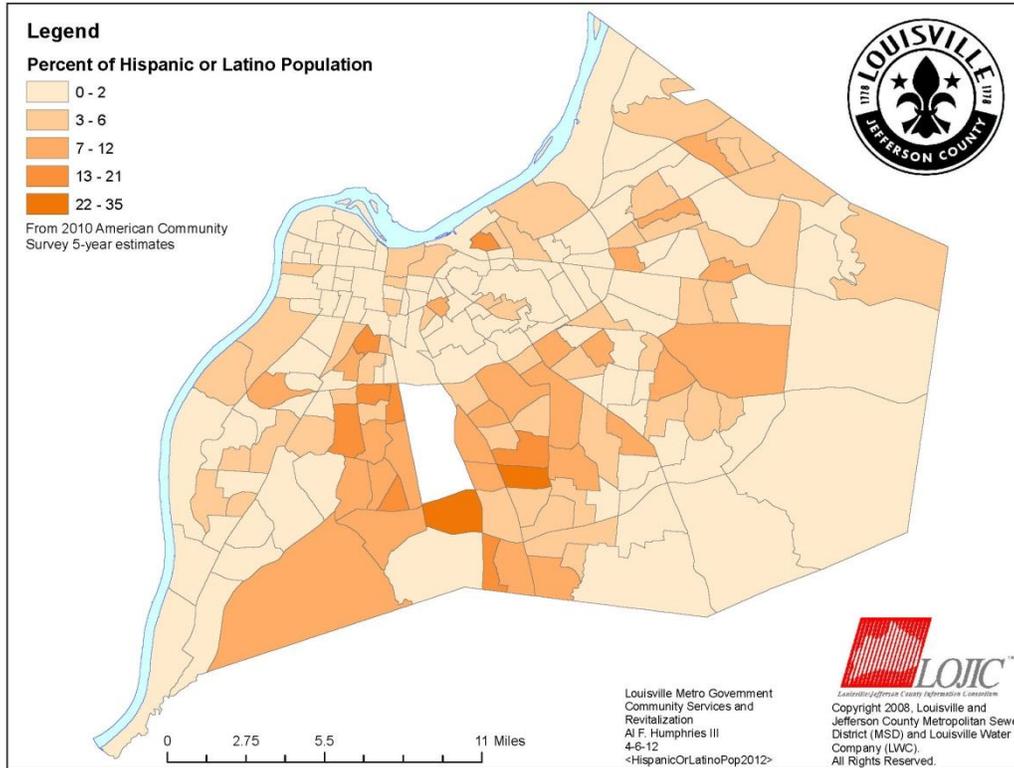
Louisville Metro Government plans a targeted approach to programs during Program Year 2012. The Shawnee Neighborhood will be the focus of the Neighborhood Revitalization Strategy Area (NRSA). Each of the programs available within Louisville Metro Community Services and Revitalization will be marketed toward the households within the Shawnee Neighborhood. More information regarding the targeted approach will be included in the 2012 Final Action Plan. All of the Louisville Metro HUD-funded programs are available throughout the Metro area. The maps on the following pages illustrate areas of low-mod and racial/ethnic concentration.

Low to Moderate Income by Census Tract Blockgroups









Funding for HOPWA activities will be awarded on a renewal bases by LMCSR. Eligible areas of service for HOPWA within the Louisville Metropolitan Statistical Area (MSA) include Bullitt, Henry, Jefferson, Meade, Nelson, Oldham, Shelby, Spencer and Trimble Counties in Kentucky and Clark, Floyd, Harrison, and Washington Counties in Indiana.

During the development of the 2010 – 2014 Consolidated Plan, Louisville Metro identified five neighborhoods as potential NRSAs. In Program Year 2012 a plan will be submitted to authorize the Shawnee neighborhood as a NRSA.

The Consolidated Plan’s proposed NRSAs were selected based on public input during the Consolidated Plan needs assessment process as well as a review of neighborhood specific data related to housing issues (cost burden, vacant and abandoned structures, code violations, property values, housing stock age and condition, foreclosures, etc.). Other considerations included economic and community development needs, department priorities, and the existing conditions that could contribute to NRSA success or failure.

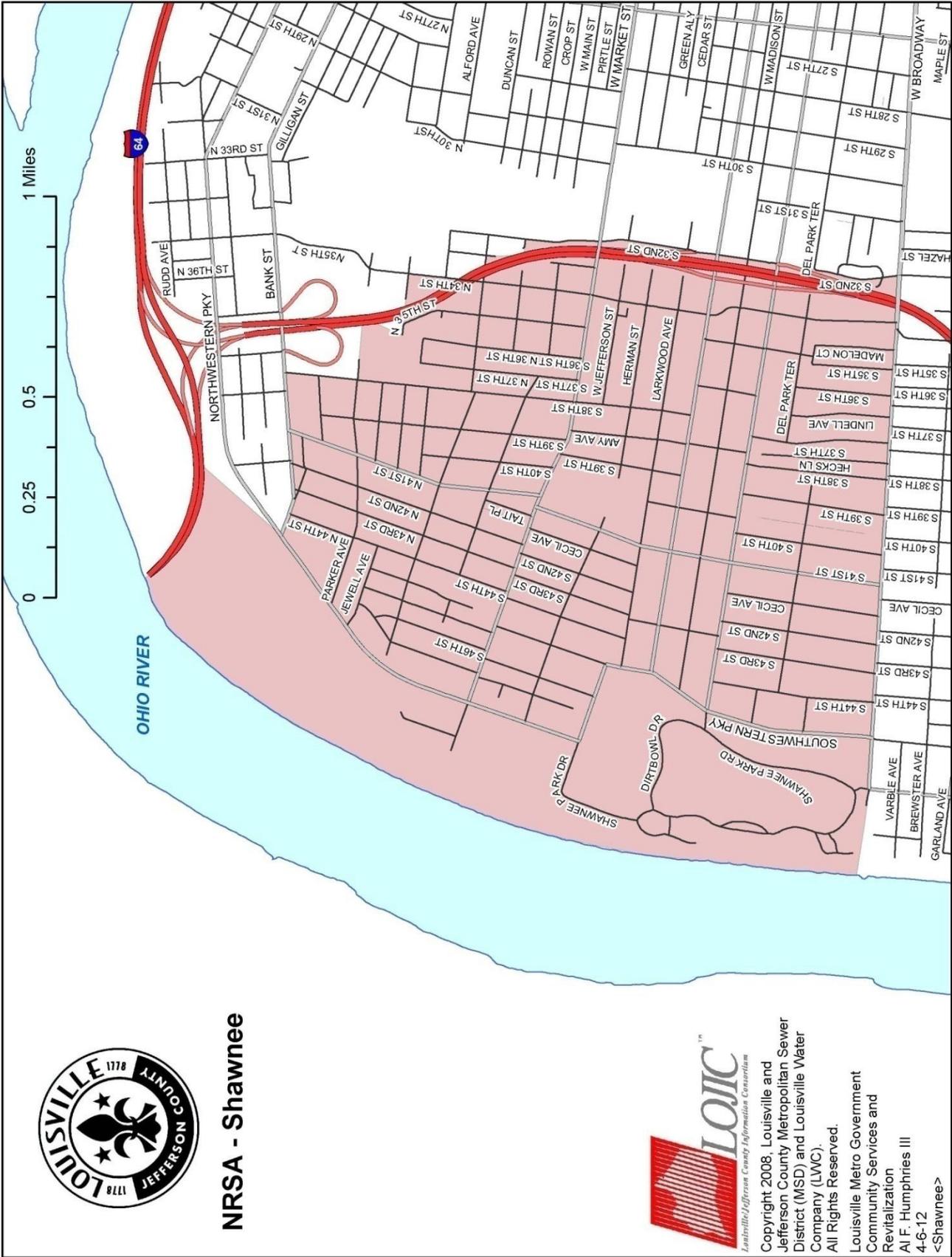
Shawnee Neighborhood Revitalization Strategy Area

Louisville Metro defines Shawnee as the area contained within Census Tracts 4 and 7. Based on the Neighborhood Plan for Shawnee, the boundaries of this area, as defined by existing features, are Northwestern Parkway/the Ohio River in the North, interstate I-264 in the East, West Broadway in the South, and the Ohio River in the West. The proposed NRSA is an area of disproportionate racial and low-income concentration.

The neighborhood is bordered by West Broadway, which is one of the city’s primary east-west routes into and out of downtown. Shawnee is in close proximity to Louisville’s large downtown medical facilities and complexes and is also home to a relatively new health clinic, the Shawnee Christian Health Clinic, which offers affordable health care based on income.

One factor that will help Shawnee to be a successful NRSA is the existence of their neighborhood association, The Shawnee Neighborhood Association (SNA). This association formed in 2007 and is already active in many areas of interest to the residents of Shawnee. The SNA has informed and engaged the community on topics such as zoning, community cleanups, Weed & Seed, crime prevention, and neighborhood development initiatives.

In program year 2012, \$400,000 in CDBG funding is proposed to be devoted to the NRSA planning initiative. A map outlining the proposed NRSA and further statistics on Shawnee are summarized on the following pages.



NRSA - Shawnee



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 Louisville Metro Government
 Community Services and Revitalization
 Al F. Humphries III
 4-6-12
 <Shawnee>

Data	Jefferson County #	Jefferson County %	Shawnee #	Shawnee %
Total Population (2010 Census)	680,789		8,089	
2009 Low/Moderate Income Population	284,553	41.8%	5,324	66.0%
Racial/Ethnic Demographics				
Black or African-American	154,246	20.8%	6,698	83.0%
White	538,714	72.7%	1,330	17.0%
Hispanic (any race)	32,542	4.4%	21	0.27%
Total Persons Below Poverty				
		12.4%		34.0%
Children (under age 18) in poverty	30,604	18.5%	928	41.0%
Elderly persons (over age 65) in poverty	7,811	8.8%	177	18.0%
Median Household Income				
	\$ 45,352		\$33,100 (Tract 4) \$25,106 (Tract 7)	
Age of Housing Stock				
Total Housing Stock	334,091		3,479	
2005 or later	10,005	3%	28	.8%
2000 to 2004	25,705	7.7%	23	.7%
1990 to 1999	36,807	11%	101	2.9%
1980 to 1989	26,704	8%	79	2.3%
1970 to 1979	50,796	15.2%	96	2.8%
1960 to 1969	51,206	15.3%	135	3.8%
1950 to 1959	53,711	16.1%	573	16.5%
1940 to 1959	26,344	7.9%	755	21.7%
1939 or earlier	52,813	15.8%	1,689	48.5%

Obstacles to Meeting Underserved Needs

The biggest challenge to meeting the needs of underserved populations in Louisville Metro remains a lack of resources. Due to current economic conditions and with the majority of federal funding sources experiencing reductions, Louisville Metro has chosen to focus on activities that will address the basic tenants of the Consolidated Plan.

Activities such as Emergency Repair, Weatherization, Homeownership Counseling, Rental Development, and assistance to Community Housing Development Organizations will assist low-income populations in securing safe, clean and affordable housing.

Economic Development activities such as the METCO loan program and Microenterprise development and loan program will assist businesses seeking to expand, create jobs that will be available to low-income individuals and provide assistance, training, and technical support to low-income individuals planning to start a business. Creating economic opportunities for low-income individuals and their families has become increasingly important as the Louisville/Jefferson County MSA unemployment rate has continued to remain high, reaching 11% in February 2012 according to the Bureau of Labor Statistics. Funding for activities such as the Family Economic Success program and the Community Action Partnership Community Outreach program will provide financial literacy and skills training to low-income individuals that will put them on the path to self-sufficiency.

The Code Enforcement and Vacant Lot Demolition programs will increase the safety and livability of the community, particularly in low income areas.

Particularly vulnerable homeless and special needs populations will be assisted through programs within the department and financial assistance to nonprofit subrecipients. Homeless individuals and families will be supported through CDBG and ESG funding distributed to nonprofit subrecipients. HOPWA funding will be distributed to subrecipients to provide supportive services, tenant-based rental assistance, or short-term rent, mortgage or utility assistance to individuals suffering from HIV/AIDS and their families. Direct support to homeless individuals and families in securing housing will be provided through a HOME funded tenant based rental assistance (TBRA) program. A ramp construction program will increase the mobility and self-sufficiency of individuals with physical disabilities.

Available Federal Resources

In program year 2012 Louisville Metro expects to receive the following amounts of federal funding to address issues relevant to Strategic Plan objectives.

Expected Federal Resources: Program Year 2012	
CDBG	\$ 9,745,052.00
HOME	\$ 2,518,531.00
ESG	\$ 933,274.00
HOPWA	\$ 557,629.00
Neighborhood Stabilization Program (Direct HUD Allocation, 3 Year Award = \$6,973,721)	\$ 2,324,574.00
Neighborhood Stabilization Program (State Pass-Through, 3 Year Award = \$3,500,000)	\$ 1,166,667.00
CDBG-R (3 Year Award = \$3,184,833)	\$ 1,016,611.00
Lead Hazard Control Grant (3 Year Award = \$2,724,823)	\$ 908,274.00
LMCSR Shelter Plus Care Grants	\$ 2,003,496.00
LMCSR Supportive Housing Grants	\$ 104,261.00
Supportive Housing Pass-Through from KHC	\$ 12,379.00
Section 8	\$ 71,685,381.00

COMMUNITY DEVELOPMENT BLOCK GRANT - 2012 ACTION PLAN BUDGET		
ACTIVITY	BUDGETED AMOUNT	CATEGORY TOTALS
HOUSING		
Residential Programs Delivery	\$ 754,000	
Residential Repair Program	\$ 1,813,000	
Affordable Housing Projects/Rental Development	\$ 1,460,000	
Total Housing		\$ 4,027,000
NEIGHBORHOOD REVITALIZATION STRATEGY AREA		
Shawnee Neighborhood Revitalization Strategy Area	\$ 400,000	
Total NRSA		\$ 400,000
PUBLIC FACILITIES AND IMPROVEMENTS		
Smoketown HOPE VI	\$ 4,957,000	
Total Public Facilities and Improvements		\$ 4,957,000
CLEARANCE		
Vacant Properties Demolition	\$ 490,000	
Total Clearance		\$ 490,000
PUBLIC SERVICE		
Homeless Services	\$ 948,000	
Out of School Time (OOST) Enrichment	\$ 75,000	
Homeownership Counseling	\$ 90,000	
Family Economic Success Program	\$ 330,000	
Community Outreach CAP	\$ 108,000	
Total Public Service		\$ 1,551,000
RELOCATION		
Relocation	\$ 7,200	
Total Relocation		\$ 7,200
CODE ENFORCEMENT		
Code Enforcement	\$ 820,000	
Total Code Enforcement		\$ 820,000
ECONOMIC DEVELOPMENT		
CAP Micro-Enterprise Assistance	\$ 182,000	
Micro-Enterprise/New Business Development Loans	\$ 250,000	
Total Economic Development		\$ 432,000
ADMINISTRATION AND PLANNING		
Urban Design/Landmarks	\$ 155,000	
CSR Department Services	\$ 1,017,000	
Community Centers Plan	\$ 25,000	
Human Relations - Fair Housing	\$ 70,000	
Urban League - Fair Housing	\$ 23,000	
HMIS Grant Match	\$ 12,500	
Contium of Care	\$ 65,000	
Indirect Cost	\$ 700,000	
Total Administration and Planning		\$ 2,067,500
TOTAL CDBG 2012 ACTION PLAN BUDGET		\$ 14,751,700

CDBG 2012 ACTION PLAN BUDGET - CAP CALCULATIONS			
<u>Action Plan Category</u>	<u>Amount</u>	<u>% of Total*</u>	<u>Calculation</u>
Public Service	\$ 1,551,000.00	14.99%	=1,551,500/10,345,052
Administration & Planning	\$ 2,067,500.00	19.99%	=2,067,200/10,345,052
Total CDBG 2012 ACTION PLAN BUDGET*	\$ 10,345,052.00		

*The CDBG 2012 Action Plan budget of \$14,751,700 is comprised up of \$9,745,052 of entitlement funds, estimated program income of \$600,000 and carryforward funding of \$4,406,600. The PS and Admin Caps are calculated based on entitlement and program income funds only.

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HOME INVESTMENT PARTNERSHIP PROGRAM - 2012 ACTION PLAN BUDGET		
ACTIVITY	BUDGETED AMOUNT	
Community Housing Development Organization (CHDO)	\$	2,600,300
Rental Development Program	\$	2,000,000
Tenant Based Rental Assistance	\$	900,000
HOME Administration	\$	276,000
Total HOME 2012 ACTION PLAN BUDGET	\$	5,776,300

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HOME 2012 ACTION PLAN BUDGET - CAP CALCULATIONS			
<u>Action Plan Category</u>	<u>Amount</u>	<u>% of Total*</u>	<u>Calculation</u>
Administration & Planning	\$ 276,000.00	9.79%	=272,000/2,818,531
Total HOME 2012 ACTION PLAN BUDGET*	\$ 2,818,531.00		

*The HOME 2012 Action Plan budget of \$5,776,300 is comprised up of \$2,518,531 of entitlement funds, estimated program income of \$300,000 and carryforward funding of \$2,957,800. The Admin Cap is calculated based on entitlement and program income funds only.

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EMERGENCY SOLUTIONS GRANT - 2012 ACTION PLAN BUDGET		
ACTIVITY	BUDGETED AMOUNT	
Emergency Shelter	\$	374,400
Prevention	\$	95,200
Street Outreach	\$	27,800
Rapid Re-Housing	\$	370,600
ESG Administration (7.5%)	\$	65,300
Total ESG 2011 ACTION PLAN BUDGET	\$	933,300

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HOPWA - 2012 ACTION PLAN BUDGET		
ACTIVITY	BUDGETED AMOUNT	
Housing Assistance and Supportive Services	\$	540,900
HOPWA Administration (3%)	\$	16,700
Total HOPWA 2011 ACTION PLAN BUDGET	\$	557,600

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Lead Agency

With a unique blend of housing, human services, anti-poverty programs and community linkages, the LMCSR is the lead agency for preparing, administering, reporting, and monitoring Louisville Metro Government's five-year Consolidated Plan, annual Action Plan and NRSA designations. LMCSR is made up of three divisions. The Community Services division provides all of the client-based services within the Department. The Community Revitalization division manages all of the development-related projects. The Compliance and Administration division manages all of the Department's subrecipients, develops funding plans and prepares other grant applications, and conducts monitorings.

LMCSR works with other Louisville Metro departments to carry-out multiple activities. These departments include Public Works and Assets, Codes and Regulations, Economic Growth and Innovation, Public Health and Wellness, and the Human Relations Commission. In addition, LMCSR works directly with over 85 non-profit agencies, historically providing them with support through an External Agency Fund (funded with general fund dollars), to provide housing and human services to the community. Many of these agencies are also involved in Continuum of Care (CoC) or entitlement funded activities.

LMCSR, through its Neighborhood Place partnerships, maintains a service network with the Kentucky Department of Community Based Services (Temporary Assistance for Needy Families, Supplemental Assistance Nutrition Program, Medicare, Medicaid, Kentucky Children's Health Insurance Program and Child Protective Services), Jefferson County Public Schools, Seven Counties Services (mental health and substance abuse service provider), Public Health and Wellness, and KentuckianaWorks (the area's Workforce Investment Board).

Plan Development

As the third year of activities covered by the 2010 to 2014 Consolidated Plan, the 2012 Action Plan has mainly been seen as a continuation of those extensively developed priorities. In the past year LMCSR has worked to strengthen our relationships with stakeholders in the community and to remain constantly aware of their changing needs and priorities. The Interim Director of LMCSR consulted with leadership from other Metro departments, including Codes and Regulations, Public Works and Assets, Economic Growth and Innovation and the Human Relations Commission to discuss their program needs and capacity in the upcoming year.

A portion of CDBG funding, \$948,000, will be distributed to subrecipients who work primarily with homeless populations via a panel process. A mandatory orientation for all potential CDBG applicants was held on February 17, 2012 and all applications for this funding were due on March 16, 2012. Scoring criteria for applications were made available online prior to the submission deadline. Recommendations for funding by the panel will be included in the Mayor's Recommended FY13 budget, which must be approved by the Louisville Metro Council.

Another portion of CDBG funding, \$75,000, will be distributed to subrecipients who provide Out of School Time programming for youth. These funds will be allocated by via the panel process outlined above.

Due to the changes to the ESG program outlined in the Interim Rule published in December of 2011, Louisville Metro decided to forgo the usual funding process for ESG for one year in favor of an approach that prioritized collaboration and consultation with the CoC. There was an ESG Information Session for all interested parties on February 17th, 2012 and a presentation regarding ESG was made to the CoC on March 5th, 2012. A collaboration and consultation plan was established, which is outlined in the Substantial Amendment for FY12 funding. ESG subrecipients will submit proposals directly to LMCSR's Compliance and Administration division.

With the exception of set-asides for administrative costs, all HOPWA funding is distributed to local subrecipients. Due to the generally consistent nature of the HOPWA funding, Louisville Metro renewed funding for HOPWA subrecipients. HOPWA subrecipients submitted proposals directly to the LMCSR's Compliance and Administration division, where the proposals were reviewed and recommended for funding.

Members and associations of each panel participant will be included in the final draft of the 2012 Action Plan.

Coordination

LMCSR leadership and staff meet regularly with community partners and represent LMCSR on a number of committees and coalitions. These connections allow for better collaboration and communication between all involved government, non-profit, and private partners.

LMCSR is represented on the following committees, working groups, or task forces by the Office on Homelessness: The Coalition for the Homeless, Board of Directors; the Louisville Continuum of Care Advisory Board; Kentucky Interagency Council on Homelessness; JCPS Homeless Students Planning Team; House Bill 843 Council which bring together mental health and homeless policy experts; Project Homeless Connect Planning Team; Housing Options Task Force; and the Affordable Housing Task Force.

Regular meetings have also been held between LMCSR, the department of Codes and Regulations, the Human Relations Commission, and the Metropolitan Housing Coalition to address the barriers identified in the 2010 Analysis of Impediments to Fair Housing.

Institutional Structure

LMCSR is responsible for the implementation of CDBG, HOME, ESG and HOPWA entitlement programs for Louisville/Jefferson County Metro Government. Within the department's institutional structure the Compliance and Administration (C&A) division oversees grants and contracts (from pre-application to close-out) for each of the organizations three divisions.

The C&A division is responsible for:

- Coordinating Consolidated Plan and Action Plan activities with other Metro agencies, including the Louisville Metro Housing Authority;

- Ensuring programmatic and financial reporting requirements are met;
- Producing the Consolidated Plan and Annual Action Plans, including the facilitation of citizen participation;
- Preparing the Consolidated Annual Performance and Evaluation Report (CAPER);
- Ensuring compliance with labor standards, environmental review, conflict of interest, Section 3, Fair Housing, and additional compliance issues;
- Assuring adherence to affordability periods;
- Handling citizen complaints regarding LMCSR's federal grant programs;
- Management of subrecipients, including all subrecipients funded through the External Agency Fund (general fund dollars);
- Monitoring outside recipients for compliance with federal regulations;
- Integrated Disbursement and Information System (IDIS) maintenance (project/activity set-up and closeout).

The C&A division has developed reporting templates, based on funding source requirements, for LMCSR program staff and sub-recipients to complete monthly.

While continuing formal desk and on-site monitoring, in the past program year the C&A division has moved towards a technical assistance model for subrecipients, attempting to address any individual compliance issues as they arise. This approach is designed to help subrecipients head off potential issues or to correct them early, resulting in the most efficient use of entitlement funding. This practice will continue in the upcoming program year to further strengthen the effectiveness of available funding as well as continue to build valuable relationships with community partners.

The C&A division will provide necessary training or arrange for technical assistance in partnership with the US Department of Housing and Urban Development's (HUD) Louisville Field Office for LMCSR program staff, staff at Metro partner agencies and external subrecipients to enhance administration and performance during Program Year 2012.

Monitoring

As part of its responsibilities for the monitoring of all subrecipients, the C&A division performs risk assessments for each subrecipient to identify the potential risk level for non-compliance prior to the start of the program year based on prior monitoring results or, in rare cases, based on information which raises concerns reported from other agencies or external sources. Subrecipients found to be at low risk receive desk reviews (a low risk assessment cannot reduce minimum on-site monitoring standards). Those found to be at high risk receive a more comprehensive on-site review or the already established minimum on-site reviews may be conducted more frequently. A monitoring schedule is established annually.

To ensure compliance, the C&A division uses checklists which have been developed to ensure monitoring staff review programs in accordance to regulatory requirements specific to each funding source - CDBG, HOME, ESG or HOPWA. The checklists are also specialized to accommodate for the type of review being provided, Desk or On-site reviews.

LMCSR is dedicated to continued improvement of financial and programmatic oversight of subrecipients. During Program Year 2012, the monitoring tasks will continue to be centralized within the C&A division of LMCSR. The C&A division now reviews and approves pay requests from the subrecipients as well, which increases the opportunity for early intervention in problem projects.

Desk Review:

- Examine both routine and special reports from program staff, housing owners/developers/sponsors, subrecipients, and subgrantees. This type of monitoring identifies potential problems by analyzing in-house documentation. Monitoring staff review the following to assess performance and look for indicators of performance or compliance deficiencies:
 - Work Program and Budgets and/or written agreements
 - Including loan agreements, if applicable
 - Monthly reports
 - Occupancy reports
 - Including tenant eligibility
 - Financial documents
 - Including audit reports
 - Draw-down requests and supporting documentation
 - Applicable IDIS reports
 - Correspondence between in-house staff and the funding recipient
 - Including telephone interviews
 - Reports from previous monitoring reviews
- Review and enhance on-site monitoring schedule based on desk review results if necessary.
- Prepare and submit to the sub-grantee or sub-recipient a finalized report detailing any findings and concerns discovered.

This information enables the monitoring staff to evaluate performance and identify any compliance issues.

On-Site Review:

- Visit the program or project to gather specific information and observe programmatic and administrative elements. Steps in conducting an on-site monitoring are as follows:
 - Perform a desk review
 - Conduct the monitoring visit
 - Entrance interview
 - Review a sample (10-20% depending on funding source) of program and project files for compliance with program regulations and eligibility
 - Compare file information with any reports received from subrecipient
 - Perform physical inspection (if applicable)
 - Exit interview

- Prepare and submit to the subgrantee or subrecipient a finalized report detailing any findings and concerns discovered (and any necessary follow-up).

Inspections:

In addition to performing Desk and On-site reviews of our subrecipients, projects funded with federal dollars are also inspected for compliance with local codes and rehabilitation standards.

HOME funded projects are inspected for compliance with local code requirements throughout their affordability period. The intervals by which we schedule inspections depend on the number of units within each project which coincides with the on-site monitoring schedule. As required by HOME regulations, projects are inspected (and monitored on-site) based on the total units (not just HOME units) threshold as follows: projects containing 1-4 units are inspected every 3 years, projects containing 5 to 25 units are inspected every 2 years and projects containing more than 25 units are inspected annually. A minimum of 10-20% of units are inspected (preferably the same units as the file reviews) including one unit in each building housing a HOME unit.

For CDBG funded projects, inspections are conducted as needed throughout the term of the loan to ensure they meet local code requirements.

For HOME funded TBRA projects, inspections occur both prior to lease and annually, throughout the term of the rental assistance. The unit inspections also serve to verify compliance with required occupancy standards in relation to the size of each household.

For HOPWA funded projects, units are inspected to ensure that they meet habitability standards in addition to local code requirements, as required by HOPWA regulations.

For ESG funded renovation projects, inspections are performed to ensure the facility is in compliance with local habitability standards.

As with the desk review, this information enables the monitoring staff to assess performance and identify any compliance issues.

All federally funded subrecipients are required to submit periodic reports detailing accomplishments, expenditures, beneficiary demographics and delays or problems encountered in meeting their benchmarks. LMCSR program staff reviews monthly reports to assess the progress of each activity, evaluate expenditure rates and determine if the subrecipient is carrying out the activity as planned or whether technical assistance might be necessary to assist the subrecipient and ensure compliance with regulations.

LMCSR staff, along with the other Metro agencies receiving Consolidated Plan funding, are also required to prepare and submit regular performance reports to the C&A division. With the responsibility for maintaining the IDIS system for performance measures, the C&A division regularly reviews the programmatic and financial information within the database to monitor the department's performance, including the timeliness of expenditures.

All monitoring activities are conducted as prescribed by the regulations appropriate to the respective funding source. As part of its commitment to continual improvement, LMCSR will regularly review and enhance its monitoring processes and procedures in accordance with grant and audit guidelines.

Lead-based Paint

The Lead Safe Louisville (LSL) Project, a Federal HUD lead hazard control grant (KYLHB0445-09), is in its third year of the 3 year period of performance. The purpose of the grant is to eliminate lead hazards that exist in both owner-occupied and rental units in Metro Louisville, especially those where children under six years of age live or spend a minimum of six hours per week and/or a pregnant woman lives. Total household income must be less than 80% of the area median income (AMI), adjusted for family size.

The LSL Project focuses on the following housing units: 1) those identified as being home to a child under 6 years of age with an elevated blood lead level (EBL); 2) those within the target census tracts/neighborhoods due to age of home and income level (low income) of residents; 3) multi-family units which are home to low income residents; and 4) those units Metro-wide identified as having lead hazards.

Staff conducts outreach primarily in the target neighborhoods, working with community partners to enroll residents in the program as well as raise general lead awareness. Outreach methods include lead training classes, participation in health fairs, neighborhood events, letters to property owners with visible signs of lead paint hazards, door-to-door visits to residents and owners of units identified as being high risk, and lead related articles in various newsletters.

Enrolled properties will receive a free lead inspection/risk assessment. Should lead hazards be identified, the grant will provide financial assistance in remediating the lead hazards. All lead work is performed by companies who have received lead training and are Environmental Protection Agency (EPA) certified. Abatement contractors are also certified by the State of Kentucky. Properties receiving lead assistance cannot be sold for three years. Investors who receive lead grant assistance must rent to income eligible families for three years with a preference given to families with children under six years of age thus increasing access to lead safe housing and furthering fair housing opportunities.

By December 2012, the LSL Project expects to have remediated lead hazards in a total of 214 units.

HOUSING

Specific Housing Objectives

The 2010 – 2014 Consolidated Plan established goals and objectives for Louisville Metro for the five year time period. Each objective lists the HUD program objective to which it corresponds and includes a measurable outcome or performance indicator. HUD's program objectives are Decent Housing (DH), a Suitable Living Environment

(SL), and enhanced Economic Opportunities (EO). Next to each HUD program objective there is a number representing a HUD outcome indicator: Availability/Accessibility = 1; Affordability = 2; and Sustainability = 3. The activity line indicates which programs will conduct the work necessary to achieve the objectives and produce the outcomes. Funding sources for these activities/programs are also provided.

The Housing objectives detailed in the 2010 – 2014 Consolidated Plan that LMCSR intends to address in the upcoming program year are below. Descriptions of each individual program to be funded follow.

2012 Program Year Housing Objectives

2010 – 2014 Consolidated Plan Goal 1: Louisville Metro residents have a range of choices for safe, decent, secure and affordable housing.

Indicators: Number of Affordable Homes; Number of Affordable Rental Units; Homeownership Rate; Rental Vacancy Rate; Owner-Occupied Vacancy Rate; Housing Cost Burden; Number of Homeless.

Objective 1.1: Increase the number of affordable homes **[HUD DH-1]**
Outcome 1.1: Develop 12 new units of affordable single family housing
Activities 1.1: Non-profit housing development (Community Housing Development Organizations - CHDOs)
Funding: HOME

Objective 1.2: Increase the number of affordable rental units **[HUD DH-1]**
Outcome 1.2: Develop 27 new units of affordable rental housing
Activities 1.2: Rental Development Program
Funding: HOME and Private Investments

Objective 1.3: Improve energy efficiency and conservation **[HUD SL-3]**
Outcome 1.3: Provide weatherization assistance to 270 households
Activities 1.3: Weatherization Program
Funding: CDBG and Weatherization Assistance for Low Income Persons (Department of Energy - DOE)

Objective 1.4: Assist low-to-moderate income households with rent **[HUD DH-2]**
Outcome 1.4: Serve 190 persons
Activities 1.4: Tenant Based Rental Assistance
Funding: HOME

Objective 1.6: Preserve and improve existing, affordable owner-occupied housing **[HUD DH-3]**.
Outcome 1.6: Provide assistance to 616 single family units.
Activities 1.6: Emergency Repair Program and Weatherization Program
Funding: CDBG and Weatherization Assistance for Low Income Persons (DOE)

- Objective 1.7:** Preserve and improve existing, affordable rental housing stock **[HUD DH-3]**.
Outcome 1.7: Repair or rehab 109 units of rental housing.
Activities 1.7: Weatherization Program
Funding: CDBG and Weatherization Assistance for Low Income Persons (DOE)
- Objective 1.8:** Address lead-based paint hazards **[HUD SL-1]**.
Outcome 1.8: Remove or abate lead hazards in 59 units.
Activities 1.8: Lead Safe Louisville Project
Funding: Lead-Based Paint Hazard Control Grant, CDBG, Private Investments
- Objective 1.9:** Support non-profit housing developers as a core objective in reaching affordable housing goals **[HUD SL-1]**.
Outcome 1.9: Maintain an ongoing group of 5 CHDOs.
Activities 1.9: Technical assistance and direct financial support to CHDOs
Funding: HOME

Housing Activities

The following are specific activities to be funded that will address the 2010 – 2014 Consolidated Plan Strategic Objectives outlined above.

Emergency and Exterior Repair Program – The Emergency and Exterior Repair program assists owner-occupants of single family homes to make emergency, health and safety and code violations repairs to their home. The homeowner must be income eligible and have lived in the home for one year or more. Rental units are not eligible. The Emergency and Exterior Repair Program covers all of Metro Louisville within the boundaries of Jefferson County. Specific emergency repairs are eligible for this program. They are:

Electrical – Conversion of old fuse boxes to breaker systems; repair/replacement of electrical components considered hazardous by the Fire department or Metro Louisville Electrical Inspectors.

Heating Systems and Air Conditioning – Replace or repair non-functioning heating systems or duct work if necessary. Install or replace air conditioning systems upon written documentation from a physician confirming a medical necessity.

Plumbing – Replacement of nonfunctioning hot water heaters, repair/replacement of gas or water supply lines from utility connection to the house; and sewer lines from MSD connection from the street to the house.

Exterior repairs – Windows, doors, steps/railings, painting/siding, roofing, gutters, downspouts, etc.

Estimated Program Year 2011 Funding: \$1,377,000

Estimated Number of Households to Receive Assistance: 275

Metro-Wide Weatherization Supplement – This program, utilized to supplement funds provided by the U.S. Department of Energy through Community Action Kentucky, is designed to provide assistance to homeowners needing insulation, weather-stripping and repair and/or replacement of energy systems in the form of a grant. These repairs/replacements include, but are not limited to: furnaces, water heater, duct work, and carbon dioxide and smoke detectors.

Estimated Program Year 2011 Funding: \$246,000 plus Weatherization Assistance for Low Income Persons (DOE)

Estimated Number of Households to Receive Assistance: 250

Community Housing Development Organization (CHDO) Program – A Community Housing Development Organization (CHDO) is a private nonprofit, community-based service organization that has achieved a special designation as a developer of affordable housing. Louisville Metro Government, as the Participating Jurisdiction (PJ), must reserve no less than 15 percent of HOME funds for investment in housing to be developed, sponsored, or owned by community housing development organizations. The CHDO must be the developer, owner, and/or sponsor of the HOME-assisted housing in order to access the CHDO set-aside.

Louisville Metro Government supports CHDOs by providing the following:

- Access to operating support
- Access to training and technical assistance in housing development and management
- Access to construction financing
- Access to gap financing
- The opportunity to earn reasonable developer fees
- Access to retention of CHDO proceeds

Louisville Metro currently provides support to three CHDOs. The current projects include acquisition, new construction and rehab, and resale of single family housing for homeownership. Future projects may also include acquisition, and rehab of single family and multifamily rental projects, with rent to own options.

CHDO - River City Housing, Inc.

As Louisville's oldest active CHDO, River City Housing, Inc. has been developing housing since 1992 when Eastern Area Community Ministries, St. Matthews Area Community Ministries, and United Crescent Hill Community Ministries came together to form the organization. River City Housing, Inc. has built more than 100 homes for low and moderate income families throughout the Louisville Metropolitan area. In recent years, they have expanded their skills to include acquisition and rehabilitation of existing houses. River City Housing, Inc. is currently operating under a development agreement to produce nine homes worth \$873,000 in CHDO Set-Aside funds.

CHDO - REBOUND, Inc.

Having been newly-reorganized and certified as a CHDO in 2009, the mission of REBOUND, Inc. is to facilitate the purchase of homes by persons of low and moderate income. REBOUND will develop decent and affordable homes through construction of new and rehabilitated housing, and promote the rebuilding of urban neighborhoods throughout Metropolitan Louisville. REBOUND, Inc is currently

operating under a development agreement worth \$641,665 in CHDO set-aside funds to produce four homes.

The Neighborhood Institute, Inc.

The newest CHDO in Louisville, The Neighborhood Institute, Inc., is focusing on rehabbing houses for sale to persons of low and moderate income. Louisville Metro recently signed a development agreement worth \$300,000 in CHDO Set-Aside funds for the rehab of two single family houses.

Estimated Program Year 2012 Funding: \$2,600,300

Estimated Number of Rental/Homeownership Units to be Developed: 17

Rental Development Program – The Rental Development program provides the minimum financial assistance (gap financing) to a project which results in rental units affordable to households making less than 60% AMI. Assistance may be provided for acquisition, new construction, substantial rehabilitation, or adaptive reuse. The Rental Development Program does not provide subsidies to refinance existing debt or inject funds into a project that has already received HOME funds.

1. Other forms of investment utilized by participants might include Low-Income Housing Tax Credits, HUD 202 (supportive housing for the elderly) or HUD 811 (supportive housing for persons with disabilities) loans, funding from Federal Home Loan Banks, funding from the Affordable Housing Trust Fund, etc.
2. All Rental Development Program projects must meet certain written standards:
 - a. Acquisition only – upon completion of the development, the project must meet state and local housing quality standards and code requirements.
 - b. New construction – upon completion of the development, the project must meet all applicable state and local codes, rehabilitation standards and ordinances and the International Conservation Code.
 - c. Rehabilitation – upon completion of the development, the project must meet all applicable state and local codes, rehabilitation standards and ordinances.
 - d. Accessibility – all assisted housing must meet the accessibility requirements of the Fair Housing Act and Section 504 of the Rehabilitation Act of 1973.
3. Upon completion of the project, the owner must maintain the property in accordance with property standards throughout the affordability period.
4. HOME-assisted rental units are subject to rent limits as identified in 24 CFR 92.252.
5. In addition, the rental units will be subject to:
 - a. Annual re-certification of tenants income by owner
 - b. Annual reviews of rent and utility usage by owner
 - c. On-site inspections by for compliance with Section 8 Housing Quality Standards and other HUD requirements.

Number of Units	Inspection Required
1-4	Every three years
5-25	Every two years
More than 25	Annually

6. No person on the grounds of race, color, national origin, religion, sex, age or handicap shall be excluded the benefits of, or be subjected to discrimination on any Rental Development project that receives Louisville Metro financial assistance.
7. The HOME maximum per-unit subsidy limits apply to rental units. The actual subsidy provided is subject to cost allocation and subsidy layering analysis.
8. Owners may not refuse to lease HOME-assisted units to a certificate or voucher under the Section 8 Program, or to a holder of a comparable document evidencing participation in a HOME funded TBRA program.
9. Projects with more than five HOME-assisted are required to restrict 20% of units to the Low HOME rents.

Regulatory Citations and References

Fair Housing and Equal Opportunity

- 92.202 and 92.250
- Title VI of Civil Rights Act of 1964 (42 U.S.C. 2000 et. seq.)
- Fair Housing Act (42 U.S.C. 3601-3620)
- Executive Order 11063 (amended by Executive Order 12259)
- Age Discrimination Act of 1975, as amended (42 U.S.C. 6101)
- 24 CFR 5.105(a)

Handicapped Accessibility

- Section 504 of Rehabilitation Act of 1972 (implemented at 24 CFR Part 8)
- For multi-family buildings only, 24 CFR 100.205 (implements the Fair Housing Act)

Estimated Program Year 2012 Funding: \$1,460,000 CDBG and \$2,000,000 HOME

Estimated Number of HOME Units Completed: 20 Home Units, 60 Total Rental Units

HOME Tenant Based Rental Assistance – The HOME funded Tenant Based Rental Assistance (TBRA) program provides direct housing assistance to households that meet the Federal HUD Definition of Homeless for up to 24 months. The HOME TBRA moves with the eligible household (the assistance is tenant-based) and the level of TBRA subsidy varies depending on the household income, unit to be rented, and annual Fair Market Rates (FMR). All HOME TBRA units must meet Housing Quality Standards (HQS) prior to program inception. The HOME TBRA program uses the HUD Section 8/Housing Choice Voucher Program as a program model. All TBRA payments are made directly to the landlord on behalf of the eligible household/tenant, similar to the Shelter Plus Care (S+C) program and Homelessness Prevention and Rapid Re-Housing (HPRP) Program. All HOME TBRA households are now required to

participate in monthly case management services while receiving HOME TBRA. Individualized case plans are developed for each HOME TBRA household, with particular attention placed on removal of barriers to promote self-sufficiency. The Section 8/Housing Choice Voucher program reached program capacity several years ago, and the HOME TBRA program was developed to provide additional subsidized housing options into the Louisville/Jefferson County market.

Estimated Program Year 2012 Funding: \$900,000

Estimated Number of Individual Households Assisted: 100

Needs of Public Housing

Institutional Structure (91.215(i))

The Louisville Metro Housing Authority (LMHA) is responsible for the development and management of federally subsidized low-rent housing in the city. LMHA was created by state legislation in 1937 and operates under local ordinance, state statutes and federal regulations. A nine-member Board of Commissioners, appointed by the Mayor, serves as the policy body of the agency. The Executive Director is also appointed by the Mayor. Funds for the agency's operations come from residents' rents and annual operating subsidy from U.S Department of HUD. LMHA also seeks grants for special projects.

Housing Market Analysis (91.210)

LMHA projects that as of June 30, 2013 there will be a total of 4,158 annual contribution contract (ACC) units in its public housing stock, 3,431 of which are owned and managed by the agency, and 727 HOPE VI/mixed finance units that are privately managed. LMHA anticipates it will be authorized 10,164 units of leased housing in 2013, bringing the grand total of housing units authorized to 14,322 by the fiscal year end. Households served include 54% families, 12% elderly, and 34% disabled. Total households with incomes below 30% of AMI are 69% and households with incomes above 50% AMI are 7%. Households served include 76% African Americans, 22% Caucasian, and 2% other ethnic or racial minorities.

Needs of Public Housing (91.210(b))

The preservation and continued viability of its current rental housing inventory is core to LMHA's capital investment strategies. The Construction Administration Department continues to aggressively carry out the improvements outlined in the agency's capital plan so that sites are in the best possible physical conditions, despite their age. In early April of FY 2009, LMHA received an award of \$14,151,218 in Public Housing Capital Formula stimulus funds and fully expended these funds by November 2010 (16 months ahead of the required deadline).

LMHA conducted a needs assessment for compliance with Section 504 guidelines in the early 1990's. Improvements were made throughout the agency's developments including sidewalks, approaches to management offices, community centers, and other public buildings, and additional necessary modifications including unit conversions. LMHA currently has 73 fully accessible units or approximately 2% of its housing stock. In addition, in 2004, the Kentucky Housing Corporation (KHC) began requiring that Tier One Universal Design Standards be incorporated into KHC funded

projects. As a result, all of the new units created with Low Income Housing Tax Credits will include Universal Design features.

LMHA submitted an application for a FY 2010 HOPE VI grant to revitalize the Sheppard Square public housing development. The 67-year old development, which was built in 1942, suffers from inherent design deficiencies, as well as numerous operations failures. The application was submitted on November 17, 2010 and the agency has since been selected from over 30 agencies as one of 8 public housing authorities to receive a FY 2010 HOPE VI grant. LMHA was awarded \$22 million, the maximum HOPE VI grant, for Sheppard Square. Critical to the completion of the Sheppard Square Revitalization is Louisville Metro's commitment of HUD entitlement funds to this project.

On-site, the new Sheppard Square will consist of public housing, low-income tax credit and market rate units in a variety of housing types including single-family homes, semi-detached and row townhouses and multi-family apartment buildings. Off-site, the public housing replacement units will include supportive service enriched units, and single-family homes and apartments in mixed-income communities. All new construction will meet Energy Star standards and the Enterprise Communities Green Community criteria. As with all revitalization plans following Park DuValle that require demolition of existing public housing units, LMHA has committed to one-for-one replacement of the 326 units at Sheppard Square.

Waiting Lists for Public Housing & Housing Choice Voucher Program

LMHA streamlined its waitlist and referral list structure when it modified its Admissions and Continued Occupancy Policy (ACOP) and Administration Plan in 2005. LMHA maintains a single, centralized waitlist for its owned and managed public housing sites. LMHA may conduct a formal purge of the public housing waitlist in 2012.

LMHA also maintains a referral list of residents recommended for its scattered site units. Eligibility requirements for scattered sites include residency in a family or elderly public housing development for a one year period and a recommendation by the site manager as an outstanding resident. Outstanding resident status is attained by having no more than 2 late rent payments, passing annual inspections, and by adhering to all other LMHA leasing guidelines.

In addition to these criteria, there is also a five-year time limitation on residency for single family, scattered-site replacement units (excluding scattered sites I, II, III, IV and V, and Newburg). This time limitation is waived for elderly/disabled households. In addition, the criteria for these sites include mandatory participation in a case management program and active movement towards self-sufficiency. Elderly and disabled households may also be exempted from these criteria.

Residents of the public housing units being developed at the Downtown Scholar House (these units are Sheppard Square HOPE VI replacement housing) are selected from the program's site-based wait list. Family Scholar House property management staff will manage the waitlist records and verify applicants. Applicants must meet LMHA eligibility criteria and the requirements of the program while residing at the facility (single; have a child, children, or be pregnant; meet low-income housing requirements; have a high school diploma or General Equivalency Diploma (GED); and have the desire to pursue a college degree). Also, if LMHA acquires 4 units for public

housing at the Stoddard Johnston Scholar House, Family Scholar House will maintain a site-based waiting list for those units.

LMHA maintains a separate waitlist for its Housing Choice Voucher (HCV) program. LMHA Section 8 staff initiated a formal purge of the wait list in 2012 and the process is nearing completion. All applicants whose applications were submitted in 2009 and prior years are being contacted to determine their ongoing needs for housing. The process should be completed this March. It is estimated that the wait list will be reduced by 3,600 applicants based on the results so far. In view of the number of applications on hand, LMHA is considering closing the wait list in early 2012.

Individual site-based waitlists are used for most of the privately managed and/or owned public housing units in mixed-income developments. Applicants for St. Francis, Stephen Foster and Village Manor are recommended from LMHA's referral list for scattered sites.

At the beginning of the fiscal year, the LMHA central-based waitlist is expected to contain 3,950 applicants for LMHA's public housing programs and 15,000 applicants for the HCV program.

Former Clarksdale residents continue to receive preference for Clarksdale off-site replacement units and Liberty Green units. Also, former Iroquois residents have preferences for both HCV and public housing units. In addition, residents that have been relocated for the demolition of the Sheppard Square site also have preferences for both HCV and public housing units.

Public Housing Strategy (91.210)

The mission of LMHA is to provide quality, affordable housing for those in need, assist residents in their efforts to achieve financial independence, and work with the community to strengthen neighborhoods. In implementing these goals, LMHA will continue to focus on the following initiatives:

Reposition and redevelop the conventional Public Housing stock

The physical stock of the remaining original family developments owned and managed by LMHA needs to be completely redeveloped. These sites – large, dense, urban and often isolated – need major renovation or replacement. LMHA's goal is to transform these communities in the coming years, replacing the current public housing developments with mixed income communities, while at the same time providing replacement units so that the overall number of families served will not decrease. In the elderly developments, modernization efforts will proceed with an eye toward appropriate and expanded service provision.

Increase housing choice through stronger rental communities and options, and expanded homeownership opportunities.

Homeownership is an important housing choice option for many low-income families, and is an appropriate program given the local market. LMHA's nationally recognized HCV Homeownership Program is an affordable and secure way for LMHA families to achieve housing self-sufficiency. The agency can boast that together more than 150 public housing residents and HCV program participants have purchased homes through the program. For the many other families for whom homeownership isn't a viable option, LMHA will look at its public housing communities to see what policy

and program changes might strengthen those communities and make them better places to live.

Develop programs and housing stock targeted to populations with special needs not adequately served elsewhere in the community.

Moving to Work (MTW) allows LMHA to break from HUD established "norms" and therefore maximize the potential of locally available resources to develop programs for people with specific needs. The goal is to meet needs not met by other agencies and to partner with local organizations that have social services programs that need a housing support element. Some of these needs will be transitional; others are for programs that provide more long-term support, particularly for single parents with children where the parent is working or preparing for work by participating in educational programs and young people enrolled in job and college prep programs, such as YouthBuild Louisville. Developing comprehensive initiatives in these areas will continue to require regulatory relief.

Encourage program participant self-sufficiency

The MTW agreement allows LMHA to reinvent the Family Self Sufficiency (FSS) program to make it appropriate to local program participant needs. MTW also allows LMHA to rethink other policies – such as the rent policy for Clarksdale HOPE VI replacement scattered sites – to encourage families to work towards housing self-sufficiency.

The LMHA strategy for improving the living environment of public housing families includes efforts to "be green" in regards to energy costs. Rising energy costs have made utility expenses a growing concern in overall housing affordability, as well as a significant portion of LMHA's operating budget. The hundreds of thousands of dollars spent each month on utilities for LMHA's public housing inventory rose even higher this past winter due to a significant increase in gas rates. LMHA also incurs utility costs for units that are privately managed such as Park DuValle and Liberty Green and for those under lease in our Section 8 program. Beyond the monetary impacts to LMHA's budget are the environmental and health benefits to be reaped from our greening efforts, including cleaner air and water.

LMHA's effort to "be green" is across the board and LMHA has been recognized as a leader. For example, LMHA was the winner of the 2008 Energy Star National Award and the 2009 Energy Star Regional Award for Excellence in Affordable Housing for its efforts at Liberty Green, a HOPE VI Revitalization project encompassing approximately 30 acres on six city blocks in Downtown Louisville. The buildings at Liberty Green were designed with higher levels of insulation, high efficiency heating and cooling, and energy efficient windows and enhanced ductwork. Each unit and all of its appliances carry the Energy Star label. The EPA has indicated that Liberty Green units have been verified as 40% more efficient than homes built to the 1993 National Model Energy Code, resulting in dramatic cost savings for those who lease or will purchase homes. The site's community center is the Authority's first Leadership in Energy and Environmental Design (LEED) certified building.

LMHA has one of the strongest HCV to Homeownership programs in the country and can boast that 179 families have purchased homes using the program (156 HCV households and 23 public housing residents). LMHA had the first Section 8 closing in the nation in November of 1997 and has experienced exponential growth over the years. The award-winning program offers a comprehensive route to self-sufficiency for low-income families through mortgage assistance, counseling and maintenance

support. Participants challenge their over-representation in poverty statistics and under-representation in indicators of success. LMHA requires intensive pre and post purchase counseling as well as requires homebuyer participation in Individual Development Accounts, with a two to one match for repairs and maintenance. LMHA will continue to actively recruit participants for this program.

Public Housing Authority Designation

LMHA is designated as a HUD “high performer” and since 1999 LMHA is one of thirty housing authorities (out of over 4,200) designated as a MTW agency. The MTW program was created by Congress and signed into Law as part of the Omnibus Consolidated Rescissions and Appropriations Act of 1996. The program offers public housing authorities the opportunity to design and test innovative, locally-designed housing and self-sufficiency strategies for low-income families by allowing exemptions from existing public housing and tenant-based HVC rules and permitting public housing authorities to combine operating, capital, and tenant-based assistance funds into a single agency-wide funding source.

Barriers to Affordable Housing

Barriers to affordable housing that will be addressed during the 2012 Program Year include the following:

1. Expanding the supply of affordable housing
2. Supporting strategies to increase public awareness of housing issues
3. Providing education regarding homeownership rights and responsibilities
4. Undertaking actions to promote energy efficiency, thus reducing housing cost burden

The availability and cost of affordable housing continue to be formidable barriers to affordable housing. The Rental Development and HOME TRBA programs work to ensure affordability and work to increase the supply of affordable rental housing. Louisville Metro will also continue to work with a growing group of CHDOs to foster and develop affordable housing within the community for the benefit of extremely low, very low, and low income families earning 80% or less of the area’s median family income.

The barrier regarding the lack of knowledge and understanding of housing issues and homeowner rights and responsibilities will be addressed through various educational programs. The Fair Housing Enforcement program, administered by the Louisville Metro Human Relations Commission, educates individuals in the community through the annual Race Relations Conference, billboard advertisements, housing discrimination brochures in various languages and other community outreach activities. The Fair Housing Education program, administered by the Louisville Urban League, provides fair housing education to renters, prospective renters, and first-time homebuyers in both one-on-one sessions and group forums.

Additional actions to overcome the barriers identified above will also undertaken by Louisville Urban League (LUL), Housing Partnership, Inc. (HPI) and Legal Aid Society, Inc. through counseling and education programs. These programs are further detailed in the Community Development Goals Section.

Actions will be taken to promote energy efficiency through the Metro-Wide Weatherization program. This program addresses high utility costs for low-income households, which in turn reduces their housing cost. This program is further detailed in the Affordable Housing Goals Section.

Affirmatively Furthering Fair Housing

Louisville Metro is mindful that offering a choice of affordable housing and housing types in neighborhoods across the community is a key component of fair housing. LMCSR will join with Louisville Metro Planning and Design, Louisville Metro Inspections, Permits and Licenses, and Louisville Metro Human Relations Commission to address zoning and other fair housing goals during this Action Plan year. An internal working group of representatives from these organizations along with the Metropolitan Housing Coalition has been formed to address "Analysis of Impediments to Fair Housing Choice in Louisville Metro, KY" recommendations that lie within Metro Government's executive authority to implement. The group will continue to meet throughout program year 2012. The working group will also recommend to the Mayor the membership and charge of a "community collaboration committee" to address recommendations that involve changes outside the scope of Metro Government's executive authority.

Annual Affordable Housing Goals 91.220(g)

Expanding the supply of safe, decent, sanitary and affordable housing remains one of LMCSR's main priorities. The department undertakes a number of activities aimed at increasing the number of affordable housing units as well as stabilizing the existing housing stock. The details of each program are found elsewhere in this plan; however, they are summarized below.

The Emergency Repair program and Weatherization program provide essential improvements to home-owner units that require repairs to make the safe, sanitary and energy efficient. The Weatherization program also provides assistance to rental units. In program year 2012 it is estimated that these programs will serve 275 and 250 households respectively.

The Rental Development Program provides the minimum financial assistance (gap financing) to a project which results in rental units affordable to households earning less than 60% AMI. Assistance may be provided for acquisition, new construction, substantial rehabilitation, or adaptive reuse. The Rental Development Program does not provide subsidies to refinance existing debt or inject funds into a project that has already received HOME funds. In program year 2012 it is estimated that this program will result in 80 new affordable rental units within Louisville Metro, 20 of the units will be considered HOME units

The HOME CHDO Set-Aside supports a group of three non-profit housing developers: River City Housing, Inc.; REBOUND, Inc.; and The Neighborhood Institute, Inc. In program year 2012 it is expected that this group of developers will produce 17 affordable single family or rental units.

Both the HOME and HOPWA Tenant-Based Rental Assistance programs provide rental assistance to families who meet the HUD definition of homeless for up to 24 month. HOPWA TBRA clients must also be suffering from HIV/AIDS. In program year 2012 it

is estimated that HOME TBRA will provide assistance to 100 families. The number assisted by HOPWA TBRA is estimated to be 111 families.

HOME/ American Dream Down payment Initiative (ADDI)

Forms of Subsidy

- A. New Construction loans for non-profits: Louisville Metro will provide construction loans to non-profits to develop affordable housing. A portion of the construction loan is repaid to the Louisville Metro at the time of the sale.
- B. Mortgage Assistance for Homebuyers: Louisville Metro will provide financial assistance to qualified homebuyers who purchase homes in which the development of these properties has been assisted through projects administered by LMCSR. The amount of assistance is based on need and is regulated by the HOME Regulations.

Guideline for Resale or Recapture

Period of Affordability

For homebuyers and rental projects assisted with HOME funds the length of the affordability period depends on the amount of the HOME investment in the property and the nature of the activity funded. The table below provides the affordability periods:

HOME Investment per Unit	Length of the Affordability Period
Less than \$15,000	5 years
\$15,001 - \$40,000	10 years
More than \$40,000	15 years
New Construction of Rental Projects	20 years

The Final Rule (September 1996) eliminated the requirement that when HOME funds are used in conjunction with Federal Housing Administration (FHA) insurance, the affordability period is the term of the FHA-insured mortgage.

Sale Prior to Completion of the Period of Affordability

If the homeowner chooses to sell their property during the Period of Affordability, the property is subject to recapture provisions (as described in the following section) in compliance with HOME Regulations at 92.254

Resale/Recapture Provisions 92.254 (a)(5)

Resale: Under the resale provision, the period of affordability is based on the total HOME subsidy in the project. Under this provision, an assisted homebuyer is obligated to sell his/her property only to another HOME eligible buyer at a price that is deemed by the LMCSR to be fair to both parties.

Recapture: Under the recapture provision, the period of affordability is based on the direct HOME subsidy to the homebuyer only. Under this provision, the homeowner repays all or some of the HOME subsidy and is able to sell his/her home to any buyer at any price.

LMCSR places restrictions on assisted homebuyer properties by electing to use the recapture provision for all of its Homebuyer Assistance Programs in an effort to help preserve affordable housing. Therefore, LMCSR will require the direct HOME subsidy to be repaid if the client sells the home, voluntarily or involuntarily, before the period of affordability expires. This recapture provision will include a ten percent forgiveness clause for each year the homebuyer lives in the home.

Example: Mr. John Doe purchases a home for \$100,000 and receives \$8,000 in HOME funded homebuyer assistance funds from LMCSR in January 2012. This \$8,000 loan is subject to recapture should Mr. Doe sell the property during the five year period of affordability. At the end of year three, December 2013, Mr. Doe sells the property. As a result, thirty percent, \$2,400, is forgiven resulting in a loan balance of \$5,600 to be repaid from the net proceeds of the sale.

If the net proceeds of the sale are not enough to repay the direct HOME subsidy, the amount recaptured will be equal to the net proceeds available.

Refinancing Existing Debt

Home funds will not be used to refinance existing debt secured by multifamily housing that is being rehabilitated with HOME funds.

HOME Tenant-Based Rental Assistance Market Conditions

The HOME Tenant-Based Rental Assistance (TBRA) Program provides direct housing assistance to households that meet the Federal HUD Definition of Homeless for up to 24 months. The HOME TBRA moves with the eligible household (the assistance is tenant-based) and the level of TBRA subsidy varies depending on the household income, unit to be rented, and annual Fair Market Rates (FMR). All HOME TBRA units must meet Housing Quality Standards (HQS) prior to program inception.

The HOME TBRA program uses the HUD Section 8/Housing Choice Voucher (HCV) Program as a program model. All TBRA payments are made directly to the landlord on behalf of the eligible household/tenant, similar to the Shelter Plus Care (S+C) program, Homelessness Prevention and Rapid Re-Housing Program (HPRP) and the Section 8/HCV program. The Section 8/HCV program reached program capacity several years ago, and the HOME TBRA program was developed to help bring additional subsidized housing options into the Louisville/Jefferson County market. As noted on HUD's webpage, "Model Guides - Tenant-Based Rental Assistance: a HOME

Program Model," TBRA is a "cost effective tool to assist low-income renters" and address a community's affordable housing needs.

According to Comprehensive Housing Affordability Strategy (CHAS) data (2009 data set), there are 98,085 renter households in Jefferson County. Of these, 12,460 households (3,320 in the extremely low-income category and 9,140 in the low-income category) bear housing cost burdens over 30%. This represents 4.2% of all Jefferson County households. Of these 98,085 renter households, 22,020 (18,395 in the extremely low-income category and 3,625 in the low income category) bear housing cost burdens over 50%. This represents 7.5% of all Jefferson County Households.

The Louisville Metro Housing Authority projected that as of July 1, 2012 there will be 4,602 public housing units and 9,931 HCVs and Section 8 Certificates (14,533 total) in Jefferson County. Currently, the central waiting list for public housing is 8,659 applicants, and there were 15,735 applicants waiting to participate in the HCV program. In addition, Louisville Metro's S+C program is currently at program capacity (providing housing assistance to approximately 350 to 400 homeless and disabled households annually) and operating under a program waiting list.

According to the National Low Income Housing Coalition, in 2010 the hourly wage needed to afford the FMR for a one bedroom apartment in the Louisville MSA was \$11.10, and \$13.15 per hour was required to afford a two bedroom unit. This is 153% and 181% of the current minimum wage respectively. A household would need an annual income of \$23,080 to afford a one bedroom and \$27,360 to afford a two-bedroom unit within the Louisville MSA in 2010.

In addition, Metropolitan Housing Coalition's "State of Metropolitan Housing Report: 2012" reported that "nearly half (48%) of renter households (within the Louisville MSA) cannot afford a two bedroom unit at Fair Market Rent (FMR)." These high rent cost burdens, coupled with high unemployment rates, increase costs of goods and services, and long waiting lists for affordable housing programs all indicate the need for more affordable housing options and subsidies for Metro Louisville. HOME TBRA provides a small, but crucial housing option for low/mod income families in Metro Louisville.

HOME Affirmative Marketing Procedures and Requirements

1. The following methods to inform the public, owners, and potential tenants about federal fair housing laws and its affirmative marketing policy:
 - a. Use commercial media, including radio, television, and newspapers, to disseminate information.
 - b. Prepare and transmit written informational materials to fair housing and related groups.
 - c. Use Equal Housing Opportunity logotype or slogan in press releases and solicitations for owners.
 - d. Distribute and display fair housing posters.

2. For projects containing five or more HOME-assisted units, each owner must adhere to the following requirements and practices in order to carry out Louisville Metro's affirmative marketing procedures and requirements:

- a. Use commercial media, including radio, television, and newspapers, as means of disseminating information.
 - b. Use community contacts to disseminate information, including churches and community organizations located in, and serving low-income and minority neighborhoods.
 - c. Distribute informational circulars in low-income and minority neighborhoods.
 - d. Use Equal Housing Opportunity logotype or slogan in informational material.
 - e. Display fair housing poster at project site and/or rental office.
3. For projects containing five or more HOME-assisted units, each owner must use procedures, including the following, to inform and solicit applications from persons in the housing market area who are not likely to apply for the housing without special outreach:
 - a. Use churches, housing counseling agencies, employment centers, fair housing organizations, and other community and neighborhood organizations, in disseminating information and promotional materials.
 - b. Use selected commercial media deemed particularly appropriate to inform and solicit applications from persons who are less likely to apply for available units in a project.
 4. With regard to record keeping, Louisville Metro will take the following actions:
 - a. Assure records are maintained that describe the actions taken by it, and by owners, to affirmatively market units.
 - b. Properly record assessments of the results of affirmative marketing actions taken by itself and by owners.
 5. Louisville Metro will use the methods set forth below to assess the success of affirmative marketing actions and to correct deficiencies in affirmative marketing:
 - a. Require the submission of periodic reports by owners describing their affirmative market actions.
 - b. Monitor and assess, at least annually, the affirmative marketing actions taken by owners, relying primarily on information contained in owner's reports and records. Results of those owner actions will also be assessed.
 - c. Provide technical assistance, as needed, to improve performance by owners.
 - d. As appropriate, establish and require appropriate corrective actions by owners, within established time frames.
 - e. If, and as appropriate, require partial or full repayment of HOME funds provided. (Provision for such repayment will be included in the Agreement).
 6. Federal requirements relating to Affirmative Marketing can be located at 24 CFR 92.351.

Minority/Women's Business Outreach

Louisville Metro has an ongoing commitment to encourage the use of minority and women owned businesses under Ordinance No. 140, Series 1988. This was passed to encourage businesses owned by minorities, women and persons with handicaps to become certified with the Louisville Metro Human Relations Commission. The Commission handles the certifications and maintenance of the current database of vendors. This information is distributed to housing providers and contractors. Each project is required to maintain statistical data on the use and participation of minority-owned and women-owned business enterprises as contractors and subcontractors in all HOME and other applicable assisted programs.

ADDI

Louisville Metro does not anticipate receiving ADDI funds in Program Year 2012.

Other HOME Specific Requirements

Relocation Requirements

A HOME-assisted homeownership project is subject to relocation requirements under the Uniform Relocation Act (URA). In order to avoid the costs of relocation and to avoid the displacements of persons, it is recommended that non-profits purchase only vacant properties or properties which are owner-occupied and are publicly marketed. An owner-occupant who sells a property is not eligible for relocation assistance under the URA as long as the seller, prior to the sale is informed in writing: 1) of the fair market value of the property; and 2) that the buyer does not have the power of eminent domain and, therefore, will not acquire the property if the negotiations fail to result in an amicable sales agreement. If vacant units are purchased, the government will evaluate whether or not the seller removed tenants in order to sell a "vacant" building.

Security

Every property developed under a HOME-assisted program is subject to all HOME restrictions. Louisville Metro will retain through deed restrictions and/or the loan agreement, mortgage and mortgage note, the right of first refusal for the relevant Period of Affordability. Deed restrictions will be placed against the residence during the relevant Period of Affordability. If and when possible, Louisville Metro will encourage participating private lenders to include all pertinent HOME requirements in the loan and mortgage documents for the private financing.

Other Applicable Federal Requirements

These are contained in the HOME Investment Partnership Program regulations which are codified at 24 CFR Part 92.

HOMELESS

Specific Homeless Prevention Elements

Sources of Funds

In Program Year 2012 LMCSR will be administering seven HUD Continuum of Care grants, five Shelter Plus Care grants totaling \$1,884,384 and two Supportive Housing Grants totaling \$104,261. LMCSR also receives a small pass-through award from the Kentucky Housing Corporation, \$12,379, under the Supportive Housing Program. This Louisville AfterCare Services grant assists homeless individuals transitioning out of shelter and into permanent housing.

An anticipated allocation of \$933,274 in ESG and \$557,629 in HOPWA funding is expected from HUD. Of the HOPWA allocation, a portion will be used to provide TBRA or short term rent, mortgage or utility (STRMU) payments. Additionally, \$948,000 in CDBG funds has been allocated for subrecipients who work with primarily homeless or at-risk populations to provide self-sufficient and supportive services.

Homelessness Objectives

The below summarizes the 2010 – 2014 Consolidated Plan Homelessness Objectives that will be addressed in the 2012 program year. Details on each specific project will be added via a substantial amendment after projects are recommended via the previously detailed committee process, introduced in the Mayor’s Recommended Budget, and approved by the Louisville Metro Council.

2012 Program Year Homeless Objectives

2010 – 2014 Consolidated Plan Goal 4: Reduce the incidence of homelessness in the Louisville Metro community.

Indicators: Number of homeless, number of homeless who are sheltered, number unsheltered, number of persons receiving homeless prevention assistance.

Objective 4.1: Increase self-sufficiency services for persons who are homeless [HUD DH-3].

Outcome 4.1: Serve 2,000 people with self-sufficiency services.

Activities 4.1: Non-profit service providers.

Funding: CDBG funding distributed via committee process.

Objective 4.2: Increase supportive services for persons who are homeless, including health, mental health, substance abuse, domestic violence, child care and transportation services [HUD DH-3].

Outcome 4.2: Serve 1,500 persons with supportive services.

Activities 4.2: Non-profit service providers.

Funding: CDBG funding distributed via committee process.

Objective 4.3: Provide prevention services, including emergency assistance with rent, mortgage & utilities, landlord intervention services, and assistance to obtain copies of birth certificates, photo IDs and other necessary documents [HUD DH-3].

Outcome 4.3: Assist 1,000 persons.

Activities 4.3: Non-profit service providers.

Funding: ESG funding distributed to subrecipients.

Objective 4.4: Support essential services and operations for Emergency Shelters and Transitional Housing [HUD DH-3].

Outcome 4.4: Serve 2,000 people through the support of operations and 1,000 people by means of essential services.

Activities 4.4: Non-profit service providers.

Funding: ESG funding distributed to subrecipients.

Outcome 4.5: Deliver Permanent Supportive Housing services.

Activities 4.5: Serve 334 households through Shelter Plus Care and another 82 households through Supportive Housing Programs.

Funding: Shelter Plus Care and Supportive Housing Program Grants.

Chronic Homelessness

The 2012 Point In Time count for Louisville Metro's homeless (conducted on January 26, 2012) indicated that 16% of Louisville Metro's homeless population was chronically homeless (262 chronically homeless, 1,628 total homeless). Considerable national and local attention has been devoted in recent years to providing permanent supportive housing for the chronically homeless. In 2008, Family Health Centers, Inc. (Phoenix Health Center) was awarded a Substance Abuse and Mental Health Services Administration (SAMSHA) grant through the U.S. Department of Health and Human Services for the provision of permanent supportive housing for the chronically homeless. To date, 127 households have been rapidly re-housed into permanent supportive housing. The program boasts a 91% housing retention rate for all program participants (for greater than 6 months). Ninety-five percent (95%) of program participants have met the HUD "chronically homeless" definition.

Several other initiatives have been recently undertaken regarding the provision of permanent supportive housing for the chronically homeless. Specifically, LMCSR has received a new S+C grant with bonus monies offered through the 2010 Notice of Funding Availability (NOFA) for the CoC. This new grant will provide approximately 18 new units of S+C TBRA, that can be used to re-house the chronically homeless. Additional re-housing and support services are provided through other non-profit emergency shelters and supportive service agencies in Louisville Metro. Local case managers identify appropriate supportive services for the chronically homeless, including assistance with mainstream benefit enrollment, tracking appointments, and referrals with additional/partner agencies. In addition, several local agencies operate street outreach teams for the chronically homeless. These outreach teams actively engage the homeless and provide street level referrals and services.

Homelessness Prevention

In addition to HOME funding allocated for TBRA, LMCSR expects that both ESG and HOPWA funding will be allocated to programs designed to prevent homelessness. ESG prevention programs and HOPWA TBRA and STRMU programs will be administered by community partners. Details on these specific programs will be added via substantial amendment after projects are recommended via the previously detailed panel process, introduced in the Mayor's Recommended Budget, and approved by the Louisville Metro Council.

Louisville Metro expects to allocate \$900,000 in HOME funding for TBRA. Justification for using HOME funding for TBRA is detailed in the HOME specific section. An estimated 100 households will be served per year with this assistance. While LMCSR remains committed to the idea of abundant affordable housing as part of the long term solution to reducing the number homeless individuals and families in Metro Louisville, current economic conditions require a renewed focus on rental assistance to keep families out of homelessness.

Additional homeless prevention programs have had some success in Metro Louisville. LMCSR operates the Emergency Financial Assistance (EFA) program out of the 8 Neighborhood Place community locations. Households with 7 or 14 day eviction notices can receive one to three months of emergency rental assistance through the EFA program. In addition LMCSR operates a Social Security Income (SSI) Reimbursement program for households who have pending disability applications to the Social Security Administration and are facing a housing crisis. The Association of Community Ministries (ACM) also offers emergency assistance for homeless prevention in Metro Louisville. Households can receive emergency assistance when funding is available.

Discharge Coordination Policy

The Louisville CoC has recently established an Institutional Discharge Task Force. The task force will work to coordinate with the CoC and major state institutions related to mental health, health, foster care and prisons to prevent the discharge of persons from these institutions into homelessness. Emergency shelters will document incidences where they suspect persons were discharged from an institution into homelessness and report that information to the task force. The task force will then host a meeting at least twice a year for the state institutions to discuss the information provided by shelters and determine solutions to prevent people from being discharged into homelessness. The task force will also publish a quarterly report from Homeless Management Information System (HMIS) showing how many participants came from institutions to the shelters and an annual report on the work of the task force for the year.

In addition, the Louisville Metro Criminal Justice Commission administers two re-entry projects, one in Newburg and another in Shawnee; and the Community Action Partnership (part of the Community Services division of LMCSR), partners with Louisville Metro Corrections on another re-entry program called *Pathways in Action, Expansion*.

In addition, LMCSR has signed a Memorandum of Understanding with Bellewood to provide S+C housing for disabled youth aging out of foster care.

Area hospitals contact the Family Health Centers' Phoenix Health Center when they need to discharge a homeless patient who would benefit from a "healing bed." There are six such beds in the community. A member of the Health Center Outreach Team meets with persons who receive a "healing bed," assessing their needs and helping them access services, including housing. Hospitals refer homeless persons from outside the area to Travelers Aid to receive assistance if they are stranded in Louisville, so they may return to their home community.

Emergency Shelter Grants (ESG)

Louisville Metro is not a State entity. Procedures for allocating ESG funding to subrecipients was detailed previously.

Louisville Metro requires each subgrantee that receives ESG funds to be responsible for the required 100% matching funds equal to their individual ESG allocation. The one-to-one ESG match requirement can be fulfilled using agency cash contributions, other agency grants (other State, Federal, Private grants), donated supplies to the agency, value of the agency's shelter building, and so forth. The source of the ESG match is required on all fully executed contracts between Louisville Metro and the awarded homeless service agency. Matching funds are fully documented.

Details on the amount and source of match provided by each subgrantee will be provided via substantial amendment after these projects are approved through the Louisville Metro budgeting process.

Additional information about the new Emergency Solutions Grant and the written standards associated with the regulations are included in Louisville Metro's draft substantial amendment. The finalized information will be included in the 2012 Final Action Plan.

COMMUNITY DEVELOPMENT

Community Development

The Community Development objectives detailed in the 2010 - 2014 Consolidated Plan that LMCSR intends to address in the upcoming program year are below. Descriptions of each individual program to be funded follow.

2010 - 2014 Consolidated Plan Goal 3: Louisville Metro fosters a suitable living environment by improving physical conditions and the quality of life in distressed neighborhoods and throughout the community.

Indicators: Housing Values, Vacancy Rates, Housing Cost Burdens, and Code Violations

Public Improvement Objectives

Objective 3.3: Eliminate slum and blight in the community by clearance of vacant or abandoned properties **[HUD SL-3]**.
Outcome 3.3: Clear 150 blighted properties.
Activities 3.3: Demolition program administered by Louisville Metro Department of Public Works and Assets.
Funding: CDBG

Objective 3.4: Eliminate slum and blight in the community through property code enforcement **[HUD SL-3]**.
Outcome 3.4: In coordination with other Consolidated Plan activities, inspect 20,000 properties to improve conditions in low-to-moderate census tracts
Activities 3.4: Code Enforcement Program administered by Louisville Metro Department of Codes and Regulations.
Funding: CDBG

Public Service Objectives

Objective 3.5: Provide housing counseling services to preserve homeownership, find a safe and affordable rental, or to purchase a home **[HUD DH-3]**.
Outcome 3.4: Serve 1,800 households.
Activities 3.4: Counseling activities provided by the Housing Partnership, Inc., Louisville Urban League, and Legal Aid Society.
Funding: CDBG

Objective 5.1*: Connect vulnerable populations to services. This includes low-income families or individuals, persons at-risk of homelessness, youth, abused neglected children, families needing child care assistance, persons who are elderly, domestic violence victims, persons with mental health and/or substance abuse issues, or other qualifying populations. **[HUD SL-2]**
Outcome 5.1: Provide 750 referrals to in-house programs or to external service providers, provide case management, and provide job training.
Activities 5.1: Community Outreach and Family Economic Success Program
Funding: CDBG

*Objective 5.1 was originally classified as a non-homeless special needs activity; however, all activities qualify under public service provisions.

2012 Program Year Economic Development Objectives

2010 – 2014 Consolidated Plan Goal 2: Louisville Metro energizes the regional economy and stabilizes neighborhoods by providing residents with access to livable wage jobs, education and training to qualify for those jobs, and business ownership opportunities that create jobs and increase the tax base.

Indicators: Unemployment rate, commercial vacancy rate, the number of new jobs, the number of new businesses and micro-enterprises.

Objective 2.1: Increase the number of jobs in the community **[HUD EO-1]**.

Outcome 2.1: Invest in projects that create or retain 35 jobs.

Activities 2.1: Micro-Enterprise Development and the METCO Loan Program.

Funding: CDBG

Objective 2.3: Provide loans to create new businesses or assist current businesses in expanding **[HUD EO-2]**.

Outcome 2.3: Make strategic investments to assist in the creation or expansion of 3 businesses.

Activities 2.3: METCO Loan Program administered by Louisville Metro Department of Economic Growth and Innovation.

Funding: CDBG

Objective 2.4: Provide technical assistance to encourage the development of micro-enterprises **[HUD EO-1]**.

Outcome 2.4: Provide technical assistance to 15 potential micro-enterprises.

Activities 2.4: LMCSR Community Coordinators.

Funding: CDBG

Objective 2.5: Increase the number of micro-enterprises **[HUD EO-2]**.

Outcome 2.5: Provide loans to 15 new or expanding micro-enterprises.

Activities 2.5: Micro-Enterprise Loan program administered by LMCSR Community Coordinators.

Funding: CDBG

Community Development Activities

The following are specific activities to be funded that will address the 2010 – 2014 Consolidated Plan objectives outlined above.

Public Improvement Activities

Vacant Properties Demolition Program – This program, administered by the Louisville Metro Government Department of Codes and Regulations – Inspections, Permits and Licenses Division, oversees the demolition and stabilization of dilapidated structures, which have been ordered demolished. Some of the structures

are those acquired by Louisville Metro through foreclosure or other means, but most are privately owned. This activity is performed Metro wide.

Estimated Program Year 2012 Funding: \$490,000
Estimated Number of Blighted Properties Demolished: 170

Code Enforcement Program – This program, administered by the Louisville Metro Government Department of Codes and Regulations – Inspections, Permits, and Licenses Division, provides for the inspection of owner-occupied and rental units to correct conditions that may affect the health and safety of the occupants. This program also provides zoning and sign inspection/control to prevent and eliminate blight.

Estimated Program Year 2012 Funding: \$820,000
Estimated Number of Properties Inspected: 30,000

Relocation – It is the goal of Louisville Metro to minimize displacement of persons resulting from acquisition, code enforcement and rehabilitation or demolition activities. Funds will provide assistance to relocate person involuntarily displaced from dwellings in conjunction with activities implemented under the CDBG, ESG, Shelter Plus Care and Lead Safe Louisville Programs.

Estimated Program Year 2012 Funding: \$7,200
Estimated Number of Households to Receive Assistance: 2

Smoketown HOPE VI – The Smoketown HOPE VI project is an integral part of the revitalization of the Smoketown neighborhood. Louisville Metro is committed to the success of this project and is allocating CDBG funds for clearance and infrastructure improvements.

Estimated Program Year 2012 Funding: \$4,957,000
Estimated Number of Households Benefitting: 310

Public Service Activities

Homeownership Counseling Programs:

Legal Aid Foreclosure Counseling and Education – The Foreclosure Counseling and Education Program provides training, information, and education to providers, tenants and homeowners that enable them to better understand how the foreclosure process works and how it threatens their housing. The Foreclosure Counseling and Education Project will use the law to protect the rights of renters, and homeowners to avoid homelessness and reduce the impact of foreclosures on neighborhoods through trainings, outreach, and foreclosure clinics.

Estimated Program Year 2012 Funding: \$30,000
Estimated Number of Individuals to Receive Assistance: 600

Louisville Urban League Homeownership Counseling Program – The Louisville Urban League provides comprehensive, HUD approve housing counseling and education to low-moderate income families. The Center for Housing and Financial Empowerment provides counseling and education to ensure that families receive and maintain affordable housing. Counselors are nationally certified and receiving additional training annually to remain current on the industry trends. Counseling is provided for the following services: rental counseling and education; homeownership counseling and education; budget and credit counseling and education; mortgage default and foreclosure prevention counseling and education; and post-purchase counseling and education.

Estimated Program Year 2012 Funding: \$30,000

Estimated Number of Individuals to Receive Assistance: 600

HPI Homeownership Counseling Program – The Housing Partnership, Inc.'s (HPI's) Homeownership Counseling and Education Program provides an integrated and successful approach to first time home owners. Services include both pre and post purchase education. All pre-purchase clients enrolling in the program begin with a one on one Counseling session, which a Housing Counseling professional completes a mortgage readiness assessment. The results of the assessment are reviewed with the Client, and indicate what steps need to be completed to become mortgage ready. The Counselor also completes a pre-qualification and reviews affordability and pre-qualification amounts with the Client, based on their current financial situation. The Client also has the opportunity to complete a Personal Financial Management class. When the Client is approximately 2 -3 months away from completing their mortgage readiness goals, they are enrolled in the 8 hour Homebuyer Education course. HPI's Counseling and Education Program also provides post-purchase education by nationally trained Housing Counselors who are certified in Post Purchase education.

Estimated Program Year 2012 Funding: \$30,000

Estimated Number of Individuals to Receive Assistance: 600

Family Economic Success Program – This program is designed to meet the goal of purposefully working with families to move from the current practice of only addressing crises to raising awareness and building a foundation of assets we will be utilizing a team of "Family Economic Success (FES) Connectors" working with each of the Neighborhood Place sites. Each will participate actively in the network to ensure that information around resources and tools are disseminated effectively and will assist with working directly with families to assess their needs and move them toward the development of a better bottom line by helping to stack assets and incentives and bundle supports. Through the FES Program, the goal is to effectively coordinate public and private resources to help our families build financial assets by: Connecting families to job-readiness opportunities and skills to help them succeed at work; promoting financial education; expanding access to homeownership counseling or foreclosure intervention services; connecting families to mainstream financial services through the Bank On Louisville initiative where local banks and credit unions have become partners in offering free or low-cost products that encourage low-income residents to save; linking families to free tax preparation assistance and the Federal Earned Income Tax Credit through a partnership with the Louisville Asset Building Coalition; identification and utilization of community based resources that

will provide additional financial supports to the household; and linking “bottom tiered AMI” families to education and support groups that promote household stability.

Estimated Program Year 2012 Funding: \$330,000

Estimated Number of Individuals to Receive Assistance: 375

Community Outreach – Coordinators assist income eligible residents of Metro Louisville by providing outreach, information and referral, education and training workshops and direct case management. Community Outreach Coordinators work with local community groups to assess community needs by providing creative services and programs that will inspire and motivate residents to establish or maintain self-sufficiency.

Estimated Program Year 2012 Funding: \$108,000

Estimated Number of Individuals to Receive Assistance: 400

Economic Development Activities

Microenterprise Development Program – LMCSR’s microenterprise development program, Micro-Enterprise, is designed to help local microenterprises start, sustain, or grow. The Micro-Enterprise team coordinates outreach efforts to potential businesses and individuals to provide business related resources, business development curriculum, and technical assistance. The team provides training, workshops, technical assistance to income-eligible businesses.

Estimated Program Year 2012 Funding: \$182,000

Estimated Number of Individuals Served: 150

Micro-enterprise Loan Program – LMCSR realizes that for many low to moderate income entrepreneurs starting a new business and securing traditional business financing is difficult. LMCSR addresses this problem through microenterprise loans which provide forgivable loans up to \$10,000 to help create or expand microenterprise businesses in Metro Louisville. These microenterprise loans are awarded through two programs: the Spark Program and the Ignite Program. The Spark Program is a 10-week business development training geared towards getting microenterprises off to a good start. The Ignite Program is for microenterprises that have been open for at least one year. Program participants must conduct research to analyze their current operating procedures and to connect with professionals or other business development organizations to help them meet their needs. An opportunity to apply for a forgivable loan is available at the conclusion of both programs. Microenterprises must meet the household income guidelines and must be a business that employs five or fewer employees (including the owner). Businesses must submit the Micro-Enterprise loan application (which includes a use of funds statement), a copy of their business plan, household income verification, and a summary of their business research (Ignite program only). Applications are then reviewed by an outside Loan Committee for selection and recommendation.

Estimated Program Year 2012 Funding: \$250,000

Estimated Number of Businesses Assisted: 30

Antipoverty Strategy

A number of activities have been identified throughout this plan that will assist in reducing the number of poverty level families within Louisville/Jefferson County Metro. The activities identified include: increasing the number of rental and single-family units; increasing job opportunities for low and moderate income persons through business loan programs; promoting the creation of micro-enterprises by low-to-moderated income individuals; providing job training, education and placement programs for unemployed workers; and providing linkages to other community services designed to assist those in poverty..

Although CDBG funds will not be used to increase the number of rental and single-family units, CDBG funds will be used to provide repairs and weatherization assistance to low-to-moderate income households. Moreover, HOME funds will be used to increase rental and single-family units through the Rental Development Program and CHDO Program.

Increasing job opportunities will be achieved through the business loan programs administered by the Louisville Metro Department of Economic Growth and Innovation and the Micro-enterprise program. Job training and placement activities, as well as courses to promote self-sufficiency, will be provided by the Community Outreach and Family Economic Success programs.

NON-HOMELESS SPECIAL NEEDS HOUSING

Non-homeless Special Needs (91.220 (c) and (e))

During the planning process for the 2010 – 2014 Consolidated Plan special needs populations were often identified as a high priority; however, the establishment of five year objectives took into account the availability of funding from other sources. As such, projects that specifically address non-homeless special needs populations were ultimately ranked as a low priority for entitlement funding. Due to current economic conditions it was determined that it was the best use of limited public service funding to focus on individuals moving towards self-sufficiency with the Community Coordinators Outreach program, those attempting to purchase a home or avoid foreclosure with the homeownership counseling programs, and assisting a group or local nonprofits with homeless services.

Numerous other programs within the department address the needs of those with special needs. These programs include support provided to a wide-range of nonprofits by the external agency fund, the Supervised Visitation and Safe Exchanges grant which serves victims of domestic violence, the Senior Nutrition Program, the Retired Senior Volunteer Program, the Foster Grandparent Program, and numerous programs funded under the Community Service Block Grant. LMCSR also provides services through special needs populations through programs and referrals available at eight Neighborhood Place locations as well as policy and advocacy activities through the Office for Women and the Office of Aging and Disabled Citizens.

Special Needs Activities

LMCSR, through Community Services division, will administer a CDBG funded Ramp/Accessibility program to address specific needs of special needs populations. This program will address the following specific objective.

2012 Program Year Special Needs Objective

2010 – 2014 Consolidated Plan Goal 5: Address the special needs of Louisville Metro residents.

Indicators: Number of special needs individuals receiving accessibility assistance.

Objective 5.3: Increase facilities and services for persons with disabilities [HUD SL-1].

Outcome 5.3: Serve a minimum of 45 households.

Activities 5.3: Ramp/Accessibility Program administered by the Center for Accessible Living.

Funding: CDBG

Ramp/Accessibility Program

The Ramp/Accessibility program assists individuals with disabilities by improving quality of life through the removal of barriers that impede independent living. The program is available both to households who own or rent their homes, with either a wooden or removable metal ramp being installed respectively. Along with the construction of ramps, the Center of Accessible living also contracts to have lifts, grab bars, and rails installed to increase individual mobility. The program is available Metro-wide to qualifying households.

Estimated Program Year 2011 Funding: \$250,000

Estimated Number of Households to Receive Assistance: 45

Housing Opportunities for People with AIDS

The HOPWA program is administered through LMCSR. The HOPWA program provides tenant-based rental assistance, short-term rent, mortgage and utility assistance, and supportive services for persons living with HIV/AIDS. Supportive services include assistance with daily living, nutritional services, and mental health services as well as many others. These services assist those who may become homeless or have lack of employment or housing options related to extensive medical care and treatment.

The geographic location eligible to receive HOPWA funding is defined by the Louisville MSA that includes the counties of:

Clark County, IN
Floyd County, IN
Harrison County, IN
Washington County, IN
Bullitt County, KY
Henry County, KY
Jefferson County, KY
Meade County, KY

Nelson County, KY
Oldham County, KY
Shelby County, KY
Spencer County, KY
Trimble County, KY

HOPWA funding is distributed via the previously documented process. Details on each specific project will be added via a substantial amendment after projects are introduced in the Mayor's Recommended budget and approved by the Louisville Metro Council.

Progress on Program Year 2010 Goals

AIDS Interfaith Ministries of Kentuckiana

Activities: Supportive Services
Contact: Janet Mann

Services Contract Amount: \$ 35,100
Proposed Non-Metro Leverage: \$ 211,415

Services Contract Goals: 900 Persons
Services Progress as of February 2011: 382 Persons

Hoosier Hills AIDS Coalition

Activities: TBRA, STRMU and Supportive Services
Contact: Dorothy Waterhouse

TBRA Contract Amount: \$ 23,689
STRMU Contract Amount: \$ 13,511
Services Contract Amount: \$ 2,800
Proposed Non-Metro Leverage: \$ 350,102

Contract Goals: 30 Households
TBRA Progress as of February 2011: 5 Households
STRMU Progress as of February 2011: 24 Households
Services Progress as of February 2011: 29 Persons

House of Ruth

Activities: Supportive Services and TBRA
Contact: Linda Underwood

Admin: \$ 10,000
Services Contract Amount: \$ 243,000
TBRA Contract Amount: \$ 81,000
Proposed Non-Metro Leverage: \$ 224,521

Services Contract Goals: Persons
Services Progress as of February 2011: Persons
TBRA Contract Goals: 18 Households
TBRA Progress as of February 2011: 18 Households

Legal Aid Society

Activities: Supportive Services
 Contact: Annie Harlow

Services Contract Amount: \$ 30,000
 Proposed Non-Metro Leverage: \$ 118,775

Services Contract Goals: 80 Persons
 Services Progress as of February 2011: 155 Persons

Volunteers of America

Activities: Supportive Services and STRMU
 Contact: Betsy Northrup

Admin: \$ 6,860
 Services Contract Amount: \$ 13,740
 STRMU Contract Amount: \$ 77,400

Services Contract Goals: 200-250 Households
 Services Progress: 102 Households

STRMU Contract Goals: 200 -250 Households
 STRMU Progress: 102 Households

Distribution of HOPWA Funds

Locations served by HOPWA funding awarded by Louisville Metro in program year 2010 include Bullitt, Henry, Jefferson, Meade, Nelson, Oldham, Shelby, Spencer and Trimble Counties in Kentucky and Harrison, Clark, Floyd, and Washington Counties in Indiana.

In program year 2011 Louisville Metro distributed \$553,834 in HOPWA funding in the following categories:

Program Year 2011 HOPWA Funding		
Category	Amount	Percentage
Project Sponsor Admin	\$ 19,660	3.55%
Supportive Services	\$ 321,840	58.11%
TBRA	\$ 104,689	18.90%
STRMU	\$ 90,911	16.42%
Grantee Administration	\$ 16,734	3.02%
Total:	\$553,834	100%

Barriers Encountered

Several barriers have been identified by HOPWA project sponsors, including: past criminal histories, long waiting lists for available housing, and past or current poor credit barring people from available housing. Poor credit history often leads to a poor rental history, making it difficult to establish housing with landlords or community residences. Credit checks are almost always a requirement during the application process for new housing. HOPWA program applicants who have criminal records (which sometimes include felonies) also have added difficulty in entering into housing. Agencies typically turn to private renters with smaller properties who are willing to rent houses or studios that do not require credit checks. Another barrier is the increase of HIV/AIDS persons on the verge of becoming homeless. Many of these persons may also have substance abuse problems, thus making it significantly harder to complete case management programs without the assistance of medical/mental treatment. A lack of affordable housing stock continues to plague housing assistance programs seeking to place eligible program clients in decent, safe, and affordable housing.

Trends

The city of Louisville has the highest incidence of HIV/AIDS in the state. According to the HIV/AIDS Semi-Annual Report compiled by the Kentucky Cabinet for Health and Family Services in 2011, there were approximately 3,633 diagnosed AIDS cases in Jefferson County. Of these cases, 2,395 were presumed to be living. When you expand these numbers to include the entire Kentuckiana Regional Planning and Development Agency (KIPDA) region (Bullitt, Henry, Jefferson, Oldham, Shelby, Spencer, and Trimble Counties), these numbers expand to 3,974 diagnosed AIDS cases, with 2,616 presumed living. According to the same report, most of Kentucky's HIV cases (83%) are reported in men. Over the most recent five years, most HIV cases were reported in those between 30 and 40 years of age and black men and women had many times higher the infection rate than their white counterparts. According to "Black Women and AIDS," by Cheri N. Holmes with the Kentucky Department for Public Health, African Americans comprise 50% of Jefferson County's AIDS cases, but only 20% of the County's population.

Specific HOPWA Objectives

The below summarizes the 2010 – 2014 Consolidated Plan HOPWA Objectives that will be addressed in the 2012 program year. Details on each specific project will be added via a substantial amendment after projects are introduced in the Mayor's Recommended Budget and approved by the Louisville Metro Council.

2010 – 2014 Consolidated Plan Goal: Provide housing and supportive services to persons with AIDS and their families.

Indicators: Number of new AIDS cases, number of persons living with AIDS, number of unsheltered homeless with AIDS, number of persons with AIDS receiving homeless prevention or supportive services.

Objective 6.1: Provide tenant-based rental assistance to persons with AIDS
[HUD DH-2]

Outcome 6.1: Provides 45 households with TBRA.

Activities 6.1: Non-profit service providers.
Funding: HOPWA funding distributed to subrecipients.

Objective 6.2: Provide supportive services to persons with AIDS [**HUD DH-3**]
Outcome 6.2: Provide 300 individuals with HIV/AIDS with supportive services.
Activities 6.2: Non-profit service providers. HOPWA
Funding: HOPWA funding distributed to subrecipients.

Objective 6.3: Provide short-term rent, mortgage and utility payments [**HUD DH-2**]
Outcome 6.3: Provide 111 households with STRMU assistance.
Activities 6.3: Non-profit service providers.
Funding: HOPWA funding distributed to subrecipients.

Other Narrative

Include any Action Plan information that was not covered by a narrative in any other section.