



Louisville/Jefferson County Metro Government

**American Rescue Plan:
HOME Entitlement Funding
Allocation Plan**



October 6, 2022

**Prepared by Develop Louisville
Office of Compliance
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DEVELOP LOUISVILLE
LOUISVILLE, KENTUCKY

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DATE: October 6, 2022

RE: Allocation Plan for HOME Funds awarded through the American Rescue Plan

This is Louisville/Jefferson County Metro Government’s Allocation Plan for HOME Funds awarded through the American Rescue Plan (HOME-ARP). This Allocation Plan proposes new projects to be undertaken with HOME federal entitlement funds received through the American Rescue Plan, to support affordable housing in Louisville, Kentucky. The Draft Allocation Plan is available electronically at: <https://louisvilleky.gov/government/housing/public-notice-federal-plans-and-project-compliance>

A 15-day public comment period on the draft of the Allocation Plan, beginning September 19, 2022 and ending October 5, 2022.

In addition, a virtual public meeting was held on September 28, 2022 at 1:30pm to discuss the proposed Allocation Plan and receive citizen comment. Details of the meeting can be found in the Citizen Participation section of this Plan.

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Executive Summary

On September 22, 2021, Louisville Metro Government received notice from the federal Department of Housing and Urban Development (HUD) that it has been awarded \$11,417,313 in HOME Investment Partnerships funding through the American Rescue Plan (HOME-ARP). This funding is subject to the provisions detailed in the Implementation Notice CPD-21-10: Requirements for the Use of Funds in the HOME-American Rescue Plan Program.

HOME-ARP funds can be used for eligible activities as described under this Notice, namely: Administration and Planning; Development of Affordable Rental Housing; Tenant Based Rental Assistance (TBRA); Supportive Services; Acquisition and Development of Non-Congregate Shelter; and Non-Profit Operating and Capacity Building Assistance.

After consultation with various Community Service Providers, the Continuum of Care, the Louisville Metro Housing Authority, and various departments within Louisville Metro Government, **Louisville Metro proposes to allocate \$10,617,313 to the development of Rental Housing, specifically intended for the the development of affordable rental units for Permanent Supportive Housing. The remaining \$800,000 will be used for corresponding Administrative costs.** Data from numerous studies, reports, surveys, stakeholder consultation, and community meetings illustrate repeatedly that the primary housing-related need for the Louisville community is more available and affordable housing. In 2019, the Louisville Metro Government Office of Housing in partnership with the Louisville Affordable Housing Trust Fund, commissioned the Housing Needs Assessment which showed that there is a deficit of 31,412 units (23,417 rental units) to meet the housing needs of Louisville residents. In consultation with homeless service providers, LMG received similar feedback of challenges faced: that while there are vouchers available to provide rapid rehousing to individuals experiencing homelessness, and tenant based rental assistance available to make housing more affordable, the missing piece remains available and affordable units. Service providers noted that while vouchers exist, there are no units available to place individuals who are homeless or at risk of homelessness and housing instability. These service providers place particular priority on providing additional supportive services and assistance to households experiencing homelessness or at risk of homelessness. The number one need and priority for Louisville housing is more affordable units.

An analysis of the data sets for both the shelter and housing inventory show a similar trend: a need for more available housing. However, the critical component when reviewing these datasets is the connection between the two: the strain on the homeless services system is directly linked to the availability of affordable housing units, and the shortage of available, affordable housing units directly contributes to higher levels of homelessness, both long-term and acute. Ultimately, Develop Louisville and the Office of Resilience and Community Services believe that the only truly effective foundational solution to the housing crisis is to create more affordable housing.

Consultation

Before developing its plan, a PJ must consult with the CoC(s) serving the jurisdiction's geographic area, homeless and domestic violence service providers, veterans' groups, public housing agencies (PHAs), public agencies that address the needs of the qualifying populations, and public or private organizations that address fair housing, civil rights, and the needs of persons with disabilities, at a minimum. State PJs are not required to consult with every PHA or CoC within the state's boundaries; however, local PJs must consult with all PHAs (including statewide or regional PHAs) and CoCs serving the jurisdiction.

Summarize the consultation process:

Louisville Metro Government relied on multiple methods of consultation in order to determine its priorities for the HOME-ARP Allocation Plan. These included a Virtual Roundtable with homeless service providers, a Stakeholder Consultation Meeting, a request for statements from various community advocacy groups, a presentation to the Louisville Commission for Persons with Disabilities, and multiple priorities discussions with various departments within Louisville Metro Government.

A Virtual Roundtable discussion was held in November 2021 with various service providers to discuss the HOME-ARP funding and priorities. Attendees included representatives from Louisville Metro Governments Offices of Housing and of Resilience and Community Services, the Coalition for the Homeless, the Continuum of Care, Louisville Metro Housing Authority (Louisville's PHA), and several of the largest shelter providers in the Louisville-Jefferson County service area who provide homeless services, veterans services, and services for victims of domestic violence. The primary feedback from this discussion was the need for improvements to the congregate shelter facilities within Louisville and the overarching need for more affordable and available units within the city. Minutes from the Virtual Roundtable with these service provider organizations can be found in the appendices of this Plan.

A Stakeholder Consultation meeting was held in September 2022 in advance of this Draft HOME-ARP Allocation Plan being released to the public at large for the Public Comment Period. Multiple homeless and community service providers participated in this consultation, as well as representatives from the Coalition for the Homeless, Louisville's Continuum of Care, and the Louisville Accelerator Team, which manages the investment of State and Local Fiscal Recovery Funds (SLFRF) into affordable housing in the community. In this meeting Metro, presented its Draft of the HOME-ARP Allocation Plan, proposing that the large majority of the allocation be used for an investment of Permanent Supportive Housing in the community. This PSH, which is classified as Rental Housing in the eligible categories of spending of HOME-ARP, will be specifically designed to serve households below 30% AMI with at least one household member with an identified disability. Feedback from the participants was largely

supportive, and the primary response was that Louisville needs more units of affordable housing in the city. Minutes from the Stakeholder Consultation meeting with these service provider organizations can be found in the appendices of this Plan.

Advocacy groups provided written statements of their priorities for the HOME-ARP funding, which included more permanent supportive housing and more affordable units, as well as support from disability service providers for the need for more ADA accessible units of affordable housing. These statements can also be found in the appendices.

A presentation was made to the Louisville Commission for Persons with Disabilities. The purpose of this presentation was to give an overview of the federal funding sources currently available to Louisville Metro for affordable housing development and the accessibility preferences and requirements for these funds. At this presentation, representatives from the Commission gave strong support of HOME-ARP funds being used to design units that are ADA accessible and also include elements of visitability and Universal Design. They advocated for these funds to prioritize accessibility, and for affordable housing development proposals that included higher levels of ADA accessible units to receive additional points in the scoring criteria.

Finally, representatives from the Louisville Accelerator Team (which facilitates the investment of SLFRF funds into affordable housing development), Louisville Metro Office of Housing, the Office of Resilience and Community Services met several times to discuss internal priorities for these funds. These conversations included a discussion of existing resources for homeless communities, programs that have previously received approved funding, remaining gaps of support, and which systems experience the highest levels of overburden.

The most consistent feedback Louisville Metro Government received in the consultation process is the need for more affordable housing units, specifically units that provide wrap-around support to Louisville’s most vulnerable, homeless communities.

List the organizations consulted, and summarize the feedback received from these entities.

Agency/Org Consulted	Type of Agency/Org	Method of Consultation	Feedback
Continuum of Care	Continuum of Care	Virtual Roundtable, Stakeholder Consultation	Louisville needs more units of affordable housing, and for those that are unhoused, the shelters need renovations to feel safer and more welcoming. Many congregate shelters need an entire overhauling renovation. Shelters provide invaluable services to homeless populations that are deeply needed.

Coalition of the Homeless	Continuum of Care Facilitator	Virtual Roundtable, Stakeholder Consultation	Top priorities are adding more affordable units; we have vouchers and don't have units in which to use them. There are currently 31,000 individuals in the community who lack consistent housing. We need safe options for those exiting homelessness who continue to need wrap around support.
Louisville Metro Housing Authority	Public Housing Authority	Virtual Roundtable	Advocate for these funds to go toward the creation of affordable housing units, or to the creation of non-congregate shelter units.
Uniting Partners for Women and Children	Domestic Violence Service Provider, Homeless Service Provider	Virtual Roundtable	We have outgrown our space, and the biggest need for our service population is a new day shelter. We also consistently see a need for improved ADA accessibility in our space to access our services.
St. Vincent de Paul	Homeless Service Provider, Veterans Service Provider	Virtual Roundtable, Stakeholder Consultation	The biggest overall need for the community is more affordable, available apartments to house people. We have vouchers, but we struggle to find units in which to use them. Many of those exiting homelessness continue to need additional supports.
Volunteers of America	Homeless Service Provider, Veterans Service Provider	Virtual Roundtable, Stakeholder Consultation	Greatest need is more shelter space that is safe and welcoming, particularly for families, and ADA accessible. Would also advocate for supportive "bridge" housing to support the transition from shelter to permanent housing.
Black Lives Matter	Local Advocacy Group; Agency that addresses Civil Rights and Fair Housing	Statement Provided	Advocate for Permanent Supportive Housing, and for the benefits from supportive services inside of housing facilities. Supportive services combined with housing create a transformative impact on homeless populations.
Metropolitan Housing Coalition	Local Housing Advocacy and Research Group; Agency	Statement Provided	HOME ARP funding should be dedicated to the production of more affordable housing units, the only true solution to the housing crisis

	that addresses Civil Rights and Fair Housing		faced by Louisville. These funds should specifically support 30% AMI and below.
Commission for Persons with Disabilities	Advisory board that addresses the needs of persons with disabilities	Presentation given by LMG in monthly Commission meeting eligibility of ARP funds for accessible improvements	Strong advocacy from the group that preference should be given to developments proposing higher levels of accessibility and visitability in their designs; Advocated for higher levels of accessible units than the minimum required by HUD regulatory standards.
Center for Accessible Living	Organization that serves the needs of persons with disabilities; Veterans service provider	Statement provided	Advocacy for increasing the number of ADA units of accessible housing, and that universal design principals be incorporated into all new units of housing constructed with these funds to exceed HUD requirements.
Louisville Metro Office of Housing	Government Agency – Affordable Housing	Virtual Roundtable, Stakeholder Consultation, Priorities Discussion	A top priority for many of the homeless service providers is renovations to congregate shelters, but as that is not an eligible cost for these funds, we propose that they be used for the creation of more affordable housing units. Louisville’s congregate shelters provide critical services, and we would advocate for the addition of Permanent Supportive Housing that would continue to provide these services.
Louisville Metro Office of Resilience and Community Services	Government Agency – Community Services and Homeless Services	Virtual Roundtable, Priorities Discussion	RCS supports a Housing First model, as we also know that the only long-term solution to the housing crisis is more housing. However, as supportive services are critically needed for these homeless populations, we would advocate for the construction of Permanent Supportive Housing.
Louisville Accelerator Team	Government Agency – SLFRF funds invested into affordable housing	Stakeholder Consultation	Because resources are limited, we support using these HOME-ARP funds for PSH, to allow more SLFRF funds to be available for congregate shelter renovations.

Public Participation

*PJs must provide for and encourage citizen participation in the development of the HOME-ARP allocation plan. Before submission of the plan, PJs must provide residents with reasonable notice and an opportunity to comment on the proposed HOME-ARP allocation plan of **no less than 15 calendar days**. The PJ must follow its adopted requirements for “reasonable notice and an opportunity to comment” for plan amendments in its current citizen participation plan. In addition, PJs must hold **at least one public hearing** during the development of the HOME-ARP allocation plan and prior to submission.*

For the purposes of HOME-ARP, PJs are required to make the following information available to the public:

- *The amount of HOME-ARP the PJ will receive*
- *The range of activities the PJ may undertake.*

Describe the public participation process, including information about and the dates of the public comment period and public hearing(s) held during the development of the plan.

- **Public Comment Period:** Louisville Metro Government held a 15-day public comment period from September 19, 2022 – October 5, 2022. During this period, the draft of Louisville’s HOME-ARP Allocation plan was made available online at Louisville Metro Government’s Federal Plans and Public Notices webpage (louisvilleky.gov/government/housing/public-notice-federal-plans-and-project-compliance) and a hard copy was available at the Metro Development Center. (444 S 5th Street).
- **Public Hearing:** A public hearing was held on September 28, 2022. This hearing was held virtually due to a restriction on in-person meetings required by COVID-19 social distancing policies. The meeting was held via WebEx and broadcast via Develop Louisville’s Facebook page. This meeting was virtually attended by approximately 3 community members and later streamed by approximately 50 community members.

Describe any efforts to broaden public participation:

A legal notice advertising the availability of the Draft Allocation Plan and the virtual public hearing held for comment on the Draft Plan was placed in the Courier Journal, which circulates Metrowide, on September 21, 2022. A copy of the Affidavit of Publication can be found in the appendices.

Additionally, an email was distributed to a broad community mailing list, which included community service providers, neighborhood associations, advocacy groups, other government and quasi-government agencies, and Public Housing Authority representatives. This email detailed the release of the plan and provided information about how to access the public meeting.

Special notice was sent to the Louisville Metro Housing Authority, homeless service providers, veterans service providers, and domestic violence victims service providers to disperse a notification to their communities and increase public participation from potential beneficiaries of the proposed funding.

A PJ must consider any comments or views of residents received in writing, or orally at a public hearing, when preparing the HOME-ARP allocation plan.

Summarize the comments and recommendations received through the public participation process:

Several community service providers and advocates submitted letters of support for Louisville Metro's proposal, citing the need for more affordable housing in general, but more specifically more affordable housing for those earning less than 30% of Area Median Income. A few service providers also pointed to the critical need for more support services to be included in this housing, noting that those kinds of wraparound supports are necessary to achieve true long term stability. Community advocacy groups that submitted letters of support include the Metropolitan Housing Coalition, Louisville's Black Lives Matter chapter, and the Center for Accessible Living.

A primary question related to the proposed number of units, which was calculated as 42 total proposed units in the HUD Goal Production Calculation Worksheet. One community member commented that they were disappointed that the estimate was so low, considering a \$10.6M investment. Louisville Metro's response included a discussion of the factors considered in the Housing Goal Production Calculation, but also an acknowledgment that with additional funding sources included, the number could certainly be higher.

Summarize any comments or recommendations not accepted and state the reasons why:

All comments received were accepted and considered in developing the final HOME-ARP Allocation Plan and are included in the Appendices.

Needs Assessment and Gaps Analysis

PJs must evaluate the size and demographic composition of qualifying populations within its boundaries and assess the unmet needs of those populations. In addition, a PJ must identify any gaps within its current shelter and housing inventory as well as the service delivery system. A PJ should use current data, including point in time count, housing inventory count, or other data available through CoCs, and consultations with service providers to quantify the individuals and families in the qualifying populations and their need for additional housing, shelter, or services. The PJ may use the optional tables provided below and/or attach additional data tables to this template.

1. Describe the size and demographic composition of qualifying populations within the PJ's boundaries:

The coronavirus pandemic and its rippling effects have had an enormous impact on the housing needs of the Qualifying Populations in Louisville, Kentucky. Higher rates of unemployment have resulted in a widespread loss of income and security. A decline of available social connections due to COVID concerns have left more Louisvillians housing insecure than ever before. Those facing evictions in Louisville experienced some relief from federal eviction moratoria, but when those were lifted in October 2021, renters again faced the impending risk of eviction and the strain of housing instability. As eviction filings have increased, so too have the number of Louisvillians facing homelessness.

The four Qualifying Populations – currently homeless, at risk of homelessness, fleeing or attempting to flee Domestic Violence, and those at greatest risk of housing instability – have each experienced increased strain on their housing needs in the past two years. Additionally, the size of each of these subpopulations has grown during the coronavirus pandemic as a result of decreasing financial and social resources. The following sections provide more detailed descriptions of the size and demographic composition of each of the Qualifying Populations within the boundaries of Louisville-Jefferson County.

Currently Homeless

Data from the Homeless Management Information System database (HMIS) provided by the Continuum of Care shows that while homeless numbers steadily decreased from 2010-2018 in Metro Louisville, 2019 saw the first increase in nearly a decade. Due to the exceptional circumstances brought by the coronavirus between 2020-2022, which included both unprecedented loss of employment but also a huge increase in resources to keep people safe, homelessness continued to increase, though not as dramatically as it could have. The increase in available services relieved some re-housing burden and made it easier for some experiencing homelessness to be quickly rehoused, though the affordable housing units available for rapid rehousing still fell drastically short of the need.

The population experiencing the greatest increase in number throughout COVID has been those sleeping outside unsheltered. This increase is due to both limited shelter capacity and fear of COVID in congregate settings. The most recently published Point in Time Count, conducted January 25, 2021, reported a total point-in-time homeless population of 1,013 persons in Louisville, KY, a total of 576 households. 257 were counted as unsheltered. These numbers represent a significant increase in the number of unsheltered people and continue to demonstrate a profound need for funding to support not only homeless emergency services but also permanent supportive housing programs.

The data below show year-over-year growth in the homeless population in Louisville, Kentucky. These data show a consistent increase over time of the total homeless population as reported by both the Annual Homeless Census and the Annual Point in Time Count. It also shows a shift away from persons choosing to be sheltered and toward a higher percentage of unhoused people being unsheltered, as opposed to sleeping in congregate and non-congregate shelters, or with friends or family members temporarily.

Annual Homeless Census

Year	Total Population	Sheltered	Inside for Extreme Weather	Outdoors Only	Percent Total Change from Previous Year
2019	8,745	63%	26%	11%	+15%
2020	9,693	64%	22%	14%	+11%
2021	10,640	55%	10%	35%	+9%

Source: Annual Homeless Census, Louisville Metro Continuum of Care, 2019-2021

Point in Time Counts

Year	Total Count	Sheltered	Unsheltered	Percent Total Change from Previous Years
2019	1,071	89%	11%	+16%
2020	1,102	87%	13%	+3%
2021	1,013	75%	25%	-1%

Source: Point in Time Counts, Louisville Metro Continuum of Care, 2019-2021

The 2021 Point in Time Count also provides a snapshot of the demographic composition of the homeless population in Louisville.

Demographic Data 2021

	Total Persons	Percent of Total
Total Population	1,013	100%
Sheltered	756	75%
Unsheltered	257	25%
Chronically Homeless	292	29%

	Total Persons	Percent of Total
Total Population	1,013	100%
White	481	47%
Black or African American	455	45%
Asian	9	1%
American Indian or Alaskan Native	8	1%
Native Hawaiian or Pacific Islander	2	<1%
Multiple Races	58	6%
Hispanic	49	5%
Non-Hispanic	964	95%

	Total Persons	Percent of Total
Total Population	1,013	100%
Total Households	833	
Adults	845	83%
Children (under age 18)	168	17%

	Total Persons	Percent of Total
Total Population	1,013	100%
Female	380	38%
Male	630	62%
Transgender	1	<1%
Gender Non-Conforming	2	<1%

Source: Point in Time Count 2021, conducted January 25, 2021

The Annual Homeless Census and the annual Point in Time Count detailed above indicate that there is a trend among those experiencing homelessness toward being unsheltered. The Annual Homeless Census shows that there is an increase from 37% unsheltered in 2019 to 45% unsheltered in 2021, with 35% of those unsheltered in 2021 being completely outdoors and not entering any kind of shelter situation during extreme weather. It is reasonable to assume that some of this increase in unsheltered persons or persons only seeking shelter during extreme weather is due to COVID. Homeless persons and families may be unwilling to enter congregate

shelter spaces due to the increased risk of contracting the coronavirus and may also be less likely to have sufficient resources or support networks immediately available to them to prevent homelessness.

At Risk of Homelessness

Louisville Metro Government has coordinated a number of Eviction Prevention Programs beginning early summer of 2020. Data from these programs to date show a tremendous need for homelessness prevention and support, and that those populations at greatest risk of homelessness are leaning heavily on available resources to prevent a loss of housing. As of August 31, 2021, LMG’s Eviction Prevention Programs have assisted 31,136 residents and distributed over \$55 million in assistance funds. This funding has gone to support residents who would be at risk of homelessness if not for the support of these city-run program.

Below are demographic data for a quarterly sample of residents who have accessed these Eviction Prevention programs to date. This sample can be extrapolated to give an overall estimate of the demographic representation of the population served by Prevention programs.

Race and Ethnicity	Percent of Total
White	14%
Black or African American	80%
Asian	0%
American Indian or Alaskan Native	0%
Native Hawaiian or Pacific Islander	0%
Multiple Races, Other	6%
Hispanic	1%
Non-Hispanic	99%

Gender	Percent of Total
Female	78%
Male	22%
Transgender	0%
Gender Non-Conforming	0%

Area Median Income	Percent of Total
Less than 30% AMI	66%
30-50% AMI	26%
50-80% AMI	8%

Source: ERAP Q3 Reporting, Louisville Metro Office of Housing

Additional data on those who are most likely to experience housing insecurity, and demographic groups at highest risk for displacement, is discussed in the ‘At Risk of Housing Instability’ section below.

Fleeing or Attempting to Flee Domestic Violence, Dating Violence, Sexual Assault, Stalking or Human Trafficking

Shelter-in-place orders put in place as a result of the COVID-19 pandemic have had a dramatic and disturbing effect on the incidents of domestic violence throughout the United States. Reports produced by the National Commission on COVID-19 and Criminal Justice found an increase in domestic violence incidents in the United States increased by 8.1% after the lockdown orders in the spring of 2020; some estimates are even higher. It is well documented that those fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking or human trafficking are overwhelmingly female, although males can also experience partner abuse. The National Coalition Against Domestic Violence (NCADV) reports that 45.3% of women in the state of Kentucky experience intimate partner physical violence in their lifetimes. Often, those experiencing physical violence will also experience economic abuse, psychological abuse, sexual assault, stalking, and manipulation through children in the household.

The Center for Women and Families, Louisville's primary domestic violence crisis services provider, provides trauma-informed advocacy and support for individuals, families and communities affected by intimate partner violence and sexual assault. In their 2018 Annual Report, they reported receiving over 9,700 crisis and information calls, creating approximately 4,700 individual safety plans, and sheltering 748 people, 471 of whom were adults and 277 of whom were children below the age of 18. The 2019 CAPER submitted to HUD by Louisville Metro Government reported 2,780 served by the Center for Women and Families' Crisis Response Program, which operates a crisis phone line for immediate assistance and connects victims to services and support, including emergency housing. Because the data have shown that incidents of domestic violence have increased by over 8% since the start of the pandemic, we can expect all of those numbers to be higher when the reporting for services provided during the COVID pandemic is released. These populations experience higher levels of housing instability, and often lack financial resources as a result of the connection between domestic violence and economic abuse.

At Greatest Risk of Housing Instability

Housing insecurity is an issue with a lengthy and long-documented history in Louisville and has only been exacerbated by the COVID-19 pandemic. The Greater Louisville Project, using data from the Urban Institute's Emergency Rental Assistance Priority Index, released a study in 2020 detailing which households face the greatest risk of instability. This report also included data on how COVID exacerbates that risk. This study showed that those who were most likely to experience housing instability were those below the poverty line, those who rent, those who are cost burdened, those who experienced overcrowding in their households, and those who are unemployed. Demographically, we know that residents who make up these categories at a higher rate are persons of color, those who are extremely low income, those who receive public assistance, those who have one or more disabilities, and those who are foreign born.

Furthermore, we know that these populations experiencing the highest rates of rental insecurity are concentrated in Louisville’s western neighborhoods.

Housing cost burden is the most common housing problem in Louisville Metro and the primary cause of housing instability. According to data released by the 2014-2018 Comprehensive Housing Affordability Strategy, at least 27% of all Louisvillians are cost burdened, and the burden is significantly greater for those in lower AMI categories. 73% of residents below 30% AMI are cost burdened, with 53% being severely cost burdened. 67% of residents between 30-50% AMI are cost burdened, with 25% of these residents being severely cost burdened. As demonstrated by the 2019 Housing Needs Assessment commissioned by the Louisville Metro Office of Housing in partnership with the Louisville Affordable Housing Trust Fund, Louisville Metro has a considerable shortage of rental units that are affordable to extremely low- and low-income households, thereby increasing the rate of cost burden within the city. The issue of cost burden is exacerbated by old housing stock, which is especially prevalent in the areas where lower-income households are concentrated. Much of West Louisville’s housing stock was built before 1949 and lacks weatherization and energy-efficiency upgrades that could substantially lower utility bills for both renters and homeowners. Old housing stock in need of critical repairs (for instance, units with plumbing or electrical issues) can cause additional financial hardship for homeowners.

Furthermore, rates of cost burden are highest among renters. Demographically, we know that the majority of white Louisvillians own their home, while the majority of Louisvillians of color (Black, Asian, and Latinx) are renters. The ACS 5-Year estimates show that 70% of White Louisvillians own their homes, with 30% renting. For communities of color, those ratios appear reversed: estimates are 36% homeownership for Black residents, 50% for Asian residents, and 37% for Latinx residents. In neighborhoods in West Louisville, the contrast is even more stark, with an average rental rate above 75% for many Western neighborhoods. Because housing instability decreases with homeownership, we know that that communities of color are therefore more likely to experience housing instability.

The data have consistently shown that those at greatest risk of housing insecurity are low-income renters who experience cost burden and overcrowding, and that communities most likely to experience these insecurities are communities of color, particularly those in Louisville’s western neighborhoods. These groups lack access to affordable housing due to a shortage of units. This disproportionate impact creates an inequitable displacement risk, and negatively effects the overall health of these communities.

2. Describe the unmet housing and service needs of qualifying populations, including but not limited to:

a. Sheltered and unsheltered homeless populations;

The most recently published Point in Time count, conducted January 25, 2021, reported a total point-in-time homeless population of 1,013 persons, with 576 total households. 257 people were counted as unsheltered. These numbers continue to demonstrate a profound need for increased funding to support homeless emergency services and permanent supportive housing programs.

The Gap Analysis table at the end of this section indicates that there are roughly 1,300 individual units and 120 family units needed to bridge the gap in shelter. Consultation with homeless services providers, however, indicates that simply adding shelter units won't entirely address the issue. Rather, these units must also be updated with modern renovations to appear welcoming and safe. The current facilities available to those experiencing homelessness are unwelcoming and in need of repair. One service provider described homeless families and individuals choosing to sleep unsheltered, such as in a car, park, or another place not designed for regular sleeping accommodations, rather than stay in an available bed in a congregate shelter facility.

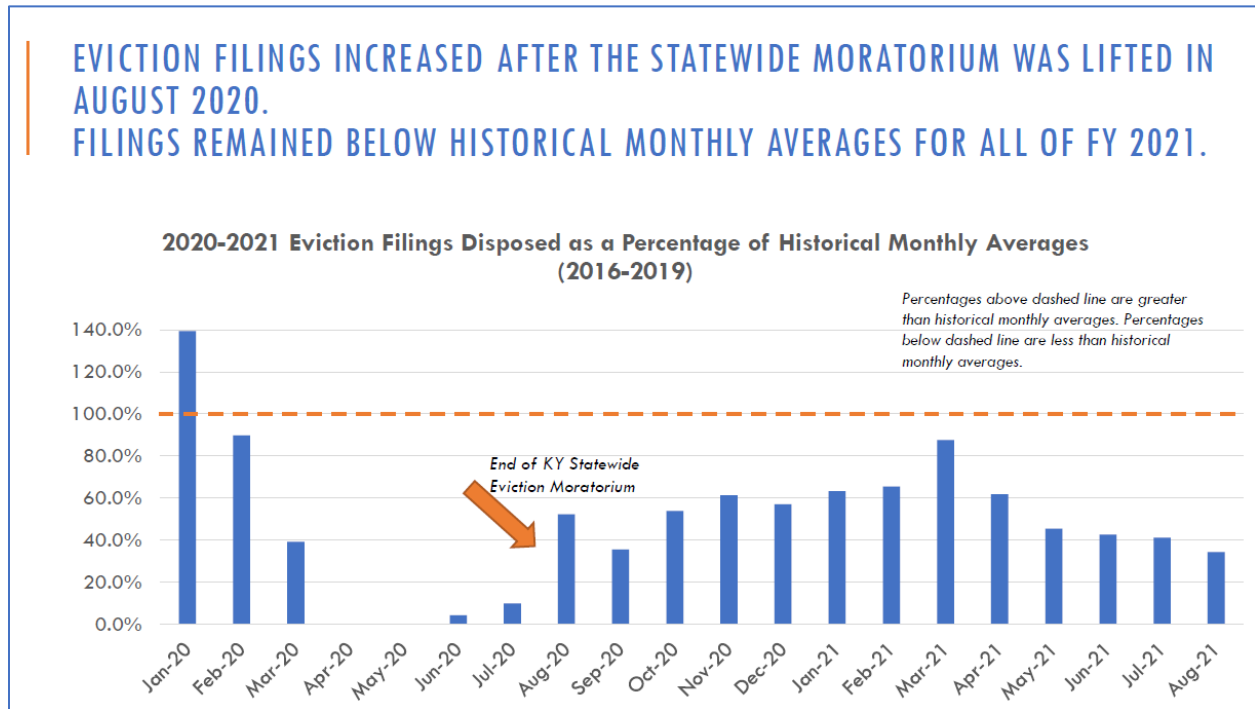
Beyond the facilities themselves, those experiencing homelessness often need additional supportive services in order to successfully maintain housing and meet other lifestyle needs, such as medical care, employment, case management, and legal services. Without these additional support services in place, those experiencing homelessness are statistically unlikely to find or maintain permanent housing.

b. Those currently housed populations at risk of homelessness;

Louisville Metro Government has coordinated several Eviction Prevention Programs beginning early summer of 2020. Data from these programs to date show a tremendous need for homelessness prevention and support, and that those populations at greatest risk of homelessness are leaning heavily on available resources to prevent a loss of housing. As of August 31, 2021, LMG's Eviction Prevention Programs have assisted 31,136 residents and distributed over \$55 million in assistance funds. Despite the breadth and scope of these programs, applicants still experience significant delay due to a backlog of cases in an overrun system. The amount of time needed to process an application can be weeks or months, and despite significant staff resources allocated to these programs, there is still an overwhelming tax on the system to turn applications around quickly. Furthermore, even with the processing of applications for eviction prevention programs, these funds often only provide a temporary solution. As more time passes and the effects of the pandemic continue to cause housing burden issues for Louisville residents, LMG has seen climbing rates of reapplications, and renters who have previously received rental support from LMG's programming return for continued assistance.

Prior to COVID, Metro Louisville had an eviction rate twice the national average. Due to court changes and outreach efforts, this rate greatly decreased in 2020 and the decreasing trend continued into 2021. However, despite the significant backlog in cases that the courts are experiencing now, evictions are once again starting to rise.

The chart below, created by Dr. Kelly Kinahan of the University of Louisville, shows the change in the rates of eviction filings in Louisville after the eviction moratoria was lifted.



Source: Kentucky Administrative Office of the Courts, as presented by Dr. Kinahan, University of Louisville

Homeless service coordinators and affordable housing supporters have advocated for continued changes in policy and higher rates of outreach that have decreased eviction rates in the city. They purport that preventing homelessness through increased housing and support is much less costly and traumatic and does not create a record for these families making it more difficult to access housing again.

c. Other families requiring services or housing assistance or to prevent homelessness; and,

Louisville Metro Government and partner agencies have developed several programs over the course of the past 24 months to assist families with the greatest need, providing housing assistance to prevent homelessness.

The Develop Louisville Office of Housing operates multiple eviction prevention programs, including a Court Eviction Diversion Program and a Rental Assistance program, both of which pay delinquent rent on behalf the tenant and help to prevent homelessness. As of August 31, 2021, the results of the combined efforts of the Develop Louisville Office of Housing, the many

Community Service Partners and the Office of Resilience and Community Services has been the disbursement of over \$33,686,000 in both past and future rent payments into the hands of landlords and property owners and, within a strict criteria, directly to tenants. These payments have reduced the threat of homelessness by the stabilization of 6,122 households that provide shelter for 13,760 Louisvillians within Jefferson County.

Several community service providers have also developed programs to provide services to families facing difficulties as a result of COVID-19. The Louisville Metro Office of Housing works in close partnership with the Legal Aid Society in the Eviction Diversion program. As of August 31, 2021, the Legal Aid Society has assisted nearly 3,000 residents (2,918) facing pending evictions by providing legal support in Eviction Court.

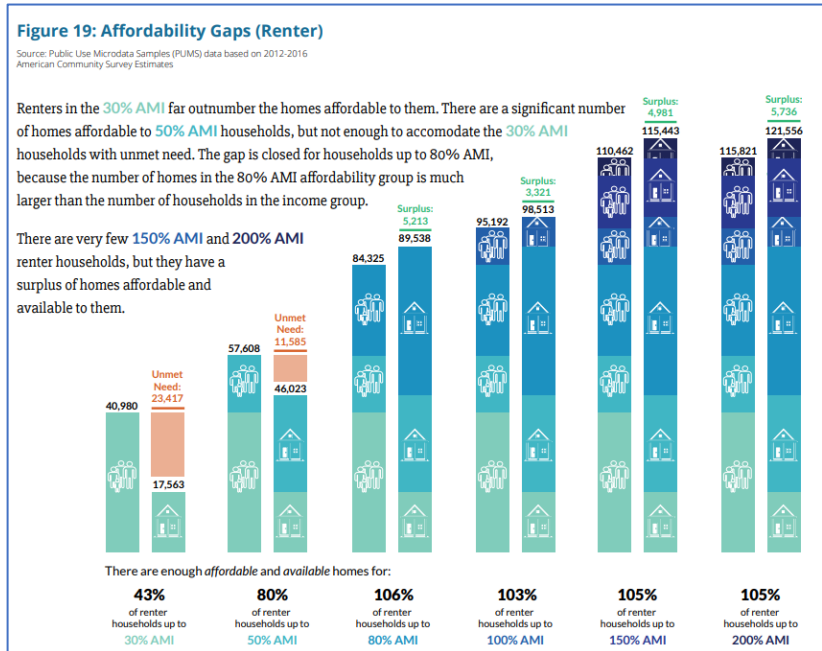
Neighborhood Place is a partnership of Louisville Metro agencies and community service providers, which unifies diverse governments, agencies and neighborhood residents. Residents city-wide can visit their nearest Neighborhood Place to receive connections to a range of public services. These Neighborhood Place facilities have experienced tremendous requests for their services, providing both eviction prevention funding and connections to other COVID-19 response services throughout the community. As of July 31, 2021, Neighborhood Place has provided \$18,411,127 in rent and utility assistance to 3,511 households in Jefferson County through the ERA Program. These programs are experiencing significant backlog and face a scarcity of available staff to process clients quickly. As a result, families requiring services or housing assistance to prevent homelessness are sometimes forced to wait several weeks or months before assistance is received, which in some cases means that delinquent rent has been elevated to a pending eviction.

These programs and others face tremendous strain and are heavily utilized, often resulting in significant backlog. These delays represent a significant barrier to services being provided and can represent an unmet housing and service need to families requiring services and housing assistance to prevent homelessness. Furthermore, many of these programs provide emergency “band-aid” type assistance, and aren’t able to provide long-term housing stability. The production and provision of affordable units with supportive, wrap-around services is the critically necessary element to creating housing stability.

d. Those at greatest risk of housing instability or in unstable housing situations:

Low income individuals and families who are currently housed but are at imminent risk of becoming homeless include those households experiencing severe housing cost burden and those currently living “doubled-up” with friends or family. Those at risk of homelessness need access not only to affordable housing, but potentially also transportation, employment, medical assistance, substance abuse and mental health services, and information about available assistance and services. A 2014 report from the Louisville/Jefferson County Continuum of Care

Homeless Consumer Participation Task Force indicates that homeless individuals who previously received housing assistance cited lack of contact with case managers, non-compliance with program rules, loss of employment/income, and legal troubles as reasons housing assistance was terminated. Reasons cited for losing prior mainstream housing included loss of employment or financial supports, legal troubles, eviction, and landlord disputes. Louisvillians with a disability experience this risk at an even higher rate. The 2014-2018 Comprehensive Housing Affordability Strategy (CHAS) data for Jefferson County shows 13.6% of Jefferson County residents are below 30% of the Area Median Income, and 11.6% earn below 50% of Area Median Income. For example, a Louisville family of four at 30% AMI would be cost burdened at any rent above \$577 per month; the median rent in Louisville is \$871. (American Community Survey 2019 5-Year Estimates)



Source: 2019 Housing Needs Assessment, Louisville Metro Government

Louisville Metro Government knows, based on dozens of studies, reports, surveys, stakeholder consultation, and community meetings, that the number one housing-related need for the Louisville community is more available and affordable housing, and that this housing is most effective when connected with supportive services. In 2019, the Louisville Metro Government Office of Housing in partnership with the Louisville Affordable Housing Trust Fund, commissioned the Housing Needs Assessment which showed that there is a deficit of 31,412 units (23,417 rental units) to meet the housing needs of Louisville residents. In consultation with homeless service providers, LMG received similar feedback of challenges faced: that while there are vouchers available to provide rapid rehousing to individuals experiencing homelessness, and tenant based rental assistance available to make housing more affordable, the missing piece remains available and affordable units. Service providers noted that while vouchers exist, there are no units available to place individuals who are homeless or at risk of homelessness and housing instability, and limited services to support them when they are housed, particularly in families where one or more member has a disability. The number one need and priority for Louisville housing is more affordable units.

3. Identify and consider the current resources available to assist qualifying populations, including congregate and non-congregate shelter units, supportive services, TBRA, and affordable and permanent supportive rental housing:

The city of Louisville is home to several facilities that provide resources to those experiencing homelessness. These homeless services facilities are operated by several non-profit partners, including Volunteers for America, St. Vincent de Paul, UP for Women and Children, and Wayside Christian Mission. While these facilities provide a tremendous benefit to the homeless community, there is still a gap in resources available to those experiencing homelessness, particularly those with a disability, who cannot always receive the full range of necessary support services from general congregate shelter services. A virtual roundtable consultation with homeless service providers revealed that the facilities themselves are often uninviting and in need of renovations, including accessibility renovations, with individuals and families choosing to sleep in spaces not fit for human habitation, such as cars or public parks, rather than in the shelters themselves.

There are several providers of supportive services within the community, which create additional supports to those at greatest risk of housing instability. Several of these service providers receive CDBG or ESG funding, or both, during regular entitlement year programming. Services include legal services, disability support, payee support, day shelter programming, transportation services, and immigrant housing coordination, as well as rent and utility support. Many prevent homelessness by providing support to those at greatest risk of housing instability. Since spring 2020, however, these programs have been completely overwhelmed by need as so many thousands in the community have lost income as a result of COVID-19.

Tenant Based Rental Assistance programs are operated by both the Louisville Metro Housing Authority and the Louisville Metro Office of Resilience and Community Services. LMHA's Section 8 program currently serves approximately 9,300 tenants with many more on the waitlist. Louisville has a subsidized affordable housing inventory that includes 16,441 affordable assisted units. Each year, LMG's TBRA program serves approximately 25 residents monthly. Even with these TBRA resources, there are many thousands more who are still waiting for housing. Louisville Metro Housing Authority maintains a single, centralized waitlist for its owned and managed public housing sites. As of March 3, 2020, there were 2,872 applicants on LMHA's central waitlist, 71% of whom sought one-bedroom units. LMHA also maintains the waitlist for the Housing Choice Voucher program. As of March 3, 2020, there were a total of 7,189 applicants on the Authority's Housing Choice Voucher program waitlist, 48% of whom sought one-bedroom units and 31% of whom sought two-bedroom units.

The Continuum of Care maintains records of available units and shelter for emergency housing. In their current stock, they can provide:

- Overnight shelter – 549 units (743 beds for families, approximately 360 units for singles)

- Transitional housing – 207 units with 355 beds, most of which are targeted to special populations, including veterans (146 beds), young adults (66 beds), domestic violence victims (50 beds), and those with substance abuse problems (21 beds):
- Short-term vouchers – 266 vouchers, but with low occupancy rates due to lack of affordable, available units
- White Flag Program - Available for overflow in extreme weather at two shelters
- Permanent Supportive Housing – 1844 units (only 153 have a site, all others rely on the market to find units with a subsidy)
- Veteran Supportive Housing – 392 units, all of which rely on the market to find units with a subsidy

The Louisville Metro Office of Housing and the Louisville Affordable Housing Trust Fund have dedicated significant resources for many years toward increasing the stock of affordable and available housing. The Louisville Affordable Housing Trust Fund has received almost \$50 million since its creation in 2016, which has been invested in the affordable housing developments in the community and created over 3,320 single and multifamily units, provided 15 Supportive Housing Grants for a total of \$155,000, and supported 17 Down Payment Assistance clients. Louisville CARES, the multifamily affordable housing program run by the Office of Housing, provides gap and/or bridge financing to developers building affordable workforce housing or incorporating affordable workforce housing into market-rate projects utilizing previous year’s funding. While Louisville CARES was originally intended for households making 80% or less of the Area Median Income, the program has recently introduced new policies intended to address cost burdening. Since its inception, CARES has supported the creation of over 1,000 affordable multifamily units. While this progress is significant, the gap in available, affordable housing is still tremendous, particularly among renters.

4. Identify any gaps within the current shelter and housing inventory as well as the service delivery system:

The 2019 Housing Needs Analysis, commissioned by the Louisville Metro Office of Housing in partnership with the Louisville Affordable Housing Trust Fund, showed a gap of 31,412 housing units (which includes 23,417 rental units) affordable and available in the city of Louisville. This assessment showed that with the addition of these units of affordable housing on the market, the gap of available, affordable housing would close.

Consultation with several homeless service providers, as well as the Louisville Metro Office of Resilience and Community Services, revealed not only a need for more non-congregate shelter units, but also a need for major shelter renovations. Several service providers reported that individuals experiencing homelessness would sometimes choose to overnight in spaces not fit for human habitation (such as a car or a city park) rather than in the established shelter facilities, due to shelters feeling unwelcoming, unsafe, or both. Many also reported that individuals with a disability often couldn’t access the full range of available space at the shelter due to limited ADA

accessible units. The existing shelter system (including the four major overnight shelters) has been underfunded for decades creating many needs for major repairs and upgrades. The settings are congregate, making it challenging to serve couples together or allow enough space and privacy to feel safe. Most have major systems issues including plumbing, electric and heating. There is a need to make entries more accessible, secure and welcoming. Most have more congregate space than desired and need to be adapted to allow for isolation and personal space. Many report inefficiencies and could be adapted to save resources and costs in the future. Due to these issues, many people left the shelter facilities or would not come in due to COVID. There is a great need to better prepare the shelter system and expand to create more family and couple units for the future, and more need for ADA accessibility and supportive services.

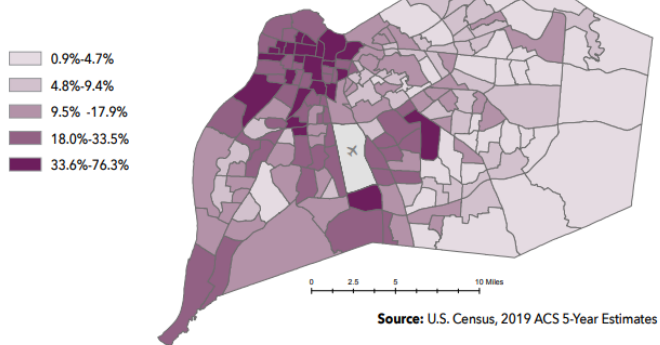
Beyond the immediate physical needs of the shelter inventory, consultations with both the Louisville Metro Housing Authority and various homeless service providers, including the Coalition for the Homeless and the Continuum of Care, report that there are simply not enough affordable units within the city to be able to provide support for placement into permanent affordable housing. The Louisville Metro Housing Authority and various homeless service programs in Louisville have available vouchers to support rehousing. Unfortunately, there simply are not available and affordable units in which to use the vouchers. Ultimately, the problems of housing instability and homelessness come back primarily as an issue of a lack of available affordable housing units.

Exact data on available shelter beds and gaps in the housing inventory can be found in the charts in the following section.

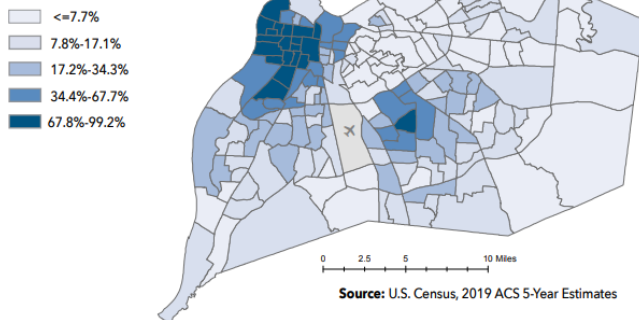
5. Identify the characteristics of housing associated with instability and an increased risk of homelessness if the PJ will include such conditions in its definition of “other populations” as established in the HOME-ARP Notice:

Housing insecurity has been a long-documented issue faced by residents in Louisville and has only been exacerbated by the COVID-19 pandemic. The Greater Louisville Project, using data from the Urban Institute’s Emergency Rental Assistance Priority Index, released a study in 2020 detailing which households face the greatest risk of instability, including data about how COVID exacerbates that risk. This study showed that those who were most likely to experience housing instability were those below the poverty line, those who rent, those who are cost burdened, those who experienced overcrowding in their households, those with at least one household member with a disability and those who are unemployed. Demographically, we know that residents who make up these categories at a higher rate are persons of color, those who are extremely low income, those who receive public assistance, and those who are foreign born. These populations experiencing the highest rates of rental insecurity are concentrated in Louisville’s western neighborhoods.

MAP 6 Percentage of Population in Poverty
By Census Tracts - Louisville/Jefferson County



MAP 8 Percentage of Population Identifying as Black or African American
By Census Tracts - Louisville/Jefferson County



The Metropolitan Housing Coalition released their 2020-2021 State of Metropolitan Housing Report in late 2021, and the report described how each of these populations experienced heightened effects of housing insecurity caused by the pandemic. The report highlights the disproportionate effects of housing insecurity felt by populations of color and those living in West Louisville, with poverty rates among Black/ African American residents and Hispanic/Latino residents more than double the current rate for White residents. In particular, the report described how renters face housing instability at a higher rate than homeowners, and that this risk has increased as various federal and statewide eviction moratoria have been lifted.

Map Source: ACS 2019 5-Year Estimates, as presented in Metropolitan Housing Coalition Annual Report

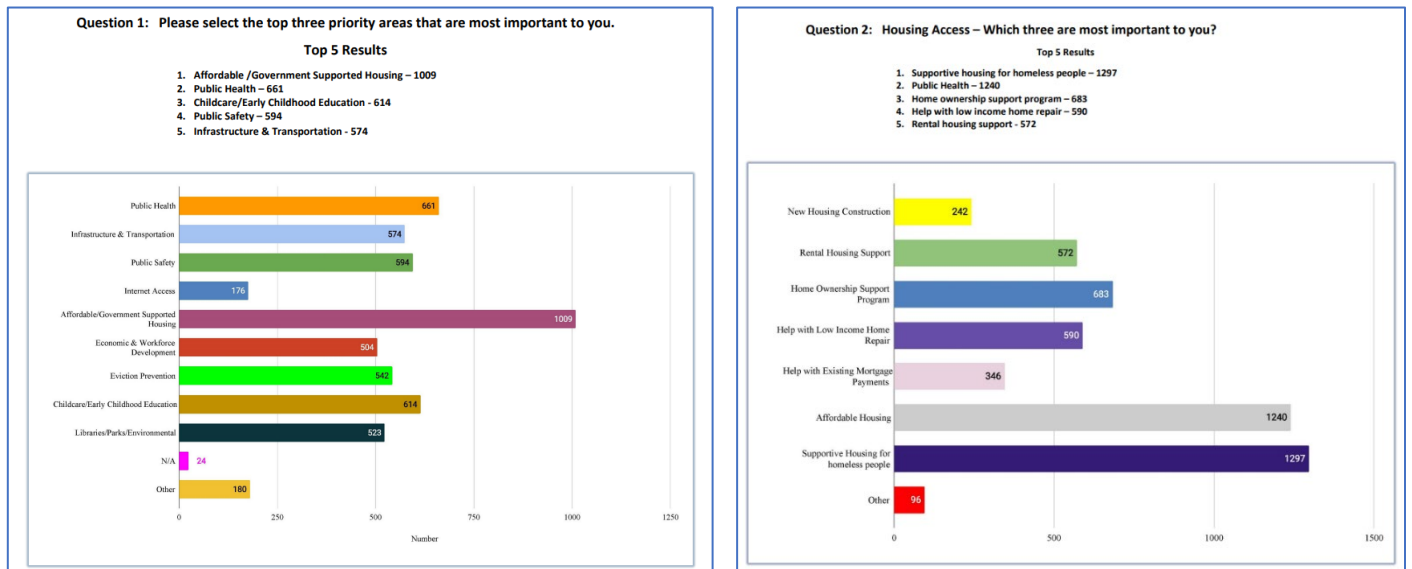
6. Identify priority needs for qualifying populations:

In its 2020-2024 Consolidated Plan, Louisville Metro Government identified **Affordable Housing** and **Homeless Services** as High Priority Needs for the Louisville community. While this need for more affordable housing affects the whole Louisville community, its impact is greatest on the **four qualifying populations** defined in this plan. Through regular entitlement funding, Develop Louisville has allocated, and will continue to allocate, resources toward the development of affordable housing and the support of various public service agencies that support Homeless Services. The Consolidated Plan also identified Non-Housing Community Development, Non-Homeless Special Needs, and Small Business Development as Priority Needs for the Louisville community. However, in light of the COVID-19 pandemic and the way that it has specifically affected the housing needs in the community, LMG will name Affordable

Housing and Homeless Services as the Priorities Needs to be supported with this HOME-ARP funding.

In consultations with the Continuum of Care, representatives advocated for more affordable housing as the fundamental priority need. Representatives pointed to the fact that continuing to rely on accessing more housing subsidies then hoping the units will be made available by the market would be unsuccessful; that the only long-term solution is to create more restricted affordable housing. Representatives stated that the existing supportive housing stock is too small and more supportive housing is needed with on-site services for those who are unsuccessful in scatter-site options.

The Louisville Metro council conducted a survey from July 9 – July 30, 2021, open to all Louisville residents to gather public feedback on priorities for American Rescue Plan funding that the city of Louisville would receive and allocate in the coming months. While the HOME-ARP funds (and their corresponding regulations) weren’t specifically referenced in this survey, it nonetheless provides a good reference point for understanding the priorities of the community overall. The results of this survey showed that the number one priority of survey respondents was affordable or subsidized housing, with public health a distant second. Within the category of affordable housing and housing supports, homeless supportive services and affordable housing development were very closely ranked, with supportive services pulling ahead by a very small margin (approximately 1% of the total vote). Full survey summaries are as follows:



Source: Louisville Metro Council 2021 ARP Priorities Survey

7. Explain how the level of need and gaps in its shelter and housing inventory and service delivery systems based on the data presented in the plan were determined:

Data used in the Homeless Needs Inventory and Gap Analysis Table includes 2021 Housing Inventory Chart for current inventory and 2021 Point in Time Count for Shelter Homeless and Unsheltered Homeless. The 2021 Housing Inventory Chart was used for Other Permanent Housing and reflects Rapid Rehousing Units. Other Permanent Housing: Victims of DV is an estimate based on the percentage of Victims of Domestic Violence counted during the Point in Time count.

The gap analysis includes the following data: During FY20 5,665 person had entries into emergency shelter or transitional housing during the reporting period. Of these 5,665 persons 1,676 had entries in emergency shelter, transitional housing, or any permanent housing within the 24 months prior to their entry during the reporting period. An assumption is made that these 1,676 will require some type of housing intervention to resolve their homelessness. Based on the breakdown of the point in time we assume 75.7% are adults only and 24.3% are families with each family having 3.34 persons, for 122 units.

Data for the Housing Needs Inventory and Gap Analysis Table was sourced from the 2019 Housing Needs Assessment (which itself relied primarily on data from the 2012-2016 American Community Survey 5-Year Estimates and Public Use Microdata Samples [PUMS] for the same data set), as well as data from the Comprehensive Housing Affordability Strategy (CHAS) for Jefferson County for 2014-2018.

The critical component when reviewing these datasets is emphasis on connection between the two: the strain on the homeless services system is directly linked to the availability of affordable housing units, and the shortage of available, affordable housing units directly contributes to higher levels of homelessness, both long-term and acute. Ultimately, Develop Louisville and the Office of Resilience and Community Services believe that the only truly effective foundational solution to the housing crisis is to create more affordable housing. An increase in the number of available, affordable units would result in a decrease in the strain on the homeless services system. While the addition of non-congregate shelter units would alleviate some of the gap in the homeless needs inventory, it would provide a short-term solution to a long-term problem. Louisville Metro Government posits that the only solution to the housing crisis, which has been exacerbated by the COVID-19 pandemic, is more housing.

Homeless Needs Inventory and Gap Analysis Table

Homeless*													
	Current Inventory					Homeless Population				Gap Analysis			
	Family		Adults Only		Vets	Family HH (at least 1 child)	Adult HH (w/o child)	Vets	Victims of DV	Family		Adults Only	
	# of Beds	# of Units	# of Beds	# of Units	# of Beds					# of Beds	# of Units	# of Beds	# of Units
Emergency Shelter	188	61	511	511	10								
Transitional Housing	93	29	262	262	156								
Permanent Supportive Housing	768	201	1074	1074	457								
Other Permanent Housing						46	122	67	40				
Sheltered Homeless						57	355	3	76				
Unsheltered Homeless						0	257	0	53				
Current Gap										407	122	1269	1269

Data Sources: 1. Point in Time Count (PIT) 2021; 2. Continuum of Care Housing Inventory Count (HIC); 3. Consultation with local Continuum of Care

*Notes on the above data, provided by the Continuum of Care: During FY20 5,665 person had entries into emergency shelter or transitional housing during the reporting period. Of these 5,665 persons 1,676 had entries in emergency shelter, transitional housing, or any permanent housing within the 24 months prior to their entry during the reporting period. We are assuming that these 1,676 will need some sort of housing intervention to resolve their homelessness. Based on the breakdown of the point in time we assume 75.7% are adults only and 24.3% are families with each family having 3.34 persons, for 122 units.

Housing Needs Inventory and Gap Analysis Table

Non-Homeless			
	Current Inventory	Level of Need	Gap Analysis
	# of Units	# of Households	# of Households
Total Rental Units*	173,805		
Rental Units Affordable to HH at 30% AMI (At-Risk of Homelessness)	17,563		
Rental Units Affordable to HH at 50% AMI (Other Populations)	46,023		
0%-30% AMI Renter HH w/ 1 or more severe housing problems (At-Risk of Homelessness)		22,860	
30%-50% AMI Renter HH w/ 1 or more severe housing problems (Other Populations)		16,365	
Current Gaps			23,417

Data Sources: 1. American Community Survey (ACS) 2019 5-Year Estimates; 2. Comprehensive Housing Affordability Strategy (CHAS) 2014-2018 Jefferson County

*Total rental units extrapolated based on a total 161,812 renter occupied and a 6.9% vacancy rate.

HOME-ARP Activities

Describe the method for soliciting applications for funding and/or selecting developers, service providers, subrecipients and/or contractors and whether the PJ will administer eligible activities directly:

Louisville Metro Government proposes to use its HOME ARP Allocation to support the creation of **new affordable units of permanent supportive housing**.

Louisville Metro may award these HOME ARP funds to a competitively selected community service provider for the development of permanent supportive housing units. This community service provider will be responsible for the development of the units, as well as the long-term management and provision of services within those units. Louisville Metro Government will provide a project manager to support the community service provider throughout the development phase, as well as ongoing compliance for the entire Period of Affordability established for the units.

Louisville Metro proposes to use these HOME ARP only for the development costs and capitalized operating costs for these Permanent Supportive Housing units. HOME ARP funds will not be used to fund the supportive services that will be partnered with these units.

Louisville Metro may select a recipient of these HOME ARP funds via a competitive Request for Application (RFA) process using the Bonfire portal. In this RFA process, Louisville Metro Government directs the use of these allocations to expand the supply of affordable housing specifically designed to support the homeless population. The application is open to non-profits, Community Housing Development Organizations (CHDOs), Community Development Corporations (CDC), for-profit developers and any other affordable housing developers. Formal submissions must include both an application and a pro forma, and applicants are then scored competitively based on an approved scoring rubric.

The HOME-ARP RFA will define its preferences for selection, which will include, at minimum:

- Projects that propose low barrier housing for chronically homeless persons;
- Project designed intentionally to support additional services for clients;
- Projects that include universal design and ADA accessible units;
- Projects that demonstrate a reasonable cost per unit for development;
- Projects that will leverage HOME-ARP funding with additional funds;
- Projects that include on-site case management services and individualized tenancy support services for residents; and
- Projects that address the request for Permanent Supportive Housing as follows:

Permanent supportive housing is an intervention that combines affordable housing assistance with support services to address the needs of chronically homeless people. The services are designed to be client-centered, and build independent living, tenancy skills, and connect people with community-based health care, treatment, and employment services. Specifically designed for households with at least one member with an identifiable disability, permanent supportive housing utilizes a harm reduction philosophy and does not place demands or conditions upon residents beyond the expectations of a typical lease.

If any portion of the PJ's HOME-ARP administrative funds were provided to a subrecipient or contractor prior to HUD's acceptance of the HOME-ARP allocation plan because the subrecipient or contractor is responsible for the administration of the PJ's entire HOME-ARP grant, identify the subrecipient or contractor and describe its role and responsibilities in administering all of the PJ's HOME-ARP program:

This section is not applicable to Louisville Metro Government.

PJs must indicate the amount of HOME-ARP funding that is planned for each eligible HOME-ARP activity type and demonstrate that any planned funding for nonprofit organization operating assistance, nonprofit capacity building, and administrative costs is within HOME-ARP limits. The following table may be used to meet this requirement.

Total HOME-ARP Funding Award: \$11,417,313

Use of HOME-ARP Funding

	Funding Amount	Percent of the Grant	Statutory Limit
Supportive Services	\$ #		
Acquisition and Development of Non-Congregate Shelters	\$ #		
Tenant Based Rental Assistance (TBRA)	\$ #		
Development of Affordable Rental Housing	\$ 10,617,313.00		
Non-Profit Operating	\$ #	# %	5%
Non-Profit Capacity Building	\$ #	# %	5%
Administration and Planning	\$ 800,000.00	7%	15%
Total HOME ARP Allocation	\$ 11,417,313.00		

Additional narrative, if applicable:

Louisville Metro Government is proposing to commit approximately 93% of its HOME-ARP Allocation to the development of affordable rental housing units specifically designed for Permanent Supportive Housing. The remainder will be used for Admin costs.

Data from dozens of studies, reports, surveys, stakeholder consultation, and community meetings repeatedly illustrate that the number one housing-related need for the Louisville community is more available and affordable housing, and that housing stability is most successful when supportive services are included. In 2019, the Louisville Metro Government Office of Housing in partnership with the Louisville Affordable Housing Trust Fund, commissioned the Housing Needs Assessment which showed that there is a deficit of 31,412 units (23,417 rental units) to meet the housing needs of Louisville residents. In consultation with homeless service providers, LMG received similar feedback of challenges faced: that while there are vouchers available to provide rapid rehousing to individuals experiencing homelessness, and tenant based rental assistance available to reduce the burden of rents, the missing piece remains available and affordable units. Service providers specifically noted that there are insufficient units available to place individuals who are homeless or at risk of homelessness and housing instability, and that even when units are available, supportive services are a key component for long term housing stability.

By directing these funds to create additional, affordable rental units of Permanent Supportive Housing, LMG will increase the total available housing stock and make progress toward closing the gap between housing supply and demand. This decision is informed by the Needs Assessment and Gaps Analysis as described above.

Describe how the characteristics of the shelter and housing inventory, service delivery system, and the needs identified in the gap analysis provided a rationale for the plan to fund eligible activities:

The data sets for both the shelter and housing inventory tell a parallel story: an overwhelming need for more available housing for those at 30% AMI or below. However, the critical component when reviewing these datasets is the inextricable link between the two: the strain on the homeless services system is directly linked to the availability of affordable housing units, and the shortage of available, affordable housing units directly contributes to higher levels of homelessness, both long-term and acute.

Ultimately, Develop Louisville and the Office of Resilience and Community Services posit that the only truly effective foundational solution to the housing crisis is to create more affordable housing. An increase in the number of available, affordable units of rental housing, particularly housing that includes supportive services for homeless residents, would result in a decrease in the strain on the homeless services system. Louisville Metro Government believes that the only solution to the housing crisis, which has been exacerbated by the COVID-19 pandemic, is more housing. Permanent housing with supportive services addresses the full scope of the need for

chronically homeless individuals and creates long-term housing stability and supports those in the community with this highest need. By supporting those with a Disproportionately Greater Need, as identified in both the 2020-2024 Consolidated Plan, as well as more recent market research, it is the goal of Louisville Metro to alleviate housing strain for all four qualifying populations.

HOME-ARP Production Housing Goals

Estimate the number of affordable rental housing units for qualifying populations that the PJ will produce or support with its HOME-ARP allocation:

40 units

Describe the specific affordable rental housing production goal that the PJ hopes to achieve and describe how it will address the PJ's priority needs:

Louisville Metro estimates an investment of approximately \$200,000 per unit of HOME-ARP affordable rental units. A total of \$10,617,313.00 of HOME-ARP funding will be dedicated to the development of affordable housing, including operating subsidy. Per the HOME-ARP Housing Production Goal Calculation Worksheet (included in Appendices), this results in a precise estimate of 42.47 units. Louisville Metro therefore proposes a goal of 40 total units from this investment.

However, by using additional funds from other sources, the community service provider developing the units may well exceed this goal. By leveraging other funds, Louisville Metro anticipates that the 40 units supported with HOME-ARP can be increased to provide a higher number of PSH units within the selected development.

Louisville Metro's Consolidated Plan named Affordable Housing as a High Priority Need. In its 2020-2024 Consolidated Plan, Louisville Metro Government identified Affordable Housing and Homeless Services as High Priority Needs for the Louisville community. Through regular entitlement funding, Develop Louisville has allocated, and will continue to allocate, resources toward the development of affordable housing and the support of various public service agencies that support Homeless Services. The Consolidated Plan also identified Non-Housing Community Development, Non-Homeless Special Needs, and Small Business Development as Priority Needs for the Louisville community. However, in light of the COVID-19 pandemic and the way that it has specifically affected the housing needs in the community, LMG will name Affordable Housing and Homeless Services as the Priorities Needs to be supported with this HOME-ARP funding.

Preferences

Identify whether the PJ intends to give preference to one or more qualifying populations or a subpopulation within one or more qualifying populations for any eligible activity or project:

- *Preferences cannot violate any applicable fair housing, civil rights, and nondiscrimination requirements, including but not limited to those requirements listed in 24 CFR 5.105(a).*
- *PJs are not required to describe specific projects to which the preferences will apply.*

Louisville Metro Government will establish two preferences with these HOME-ARP funds:

- First, a subpopulation preference will be established for households in which at least one member has an identifiable disability. This preference will be shown for individuals with special needs or for persons with disabilities among qualifying individuals and families. Louisville Metro has named this preference because this funding will create permanent supportive housing, which will therefore be intentionally designed to prioritize households with at least one member with an identifiable disability, providing supportive services and wraparound supports.

No preference will be established for any one disability over another. Additionally, individuals or households *without* a disability will not be precluded from access to these units. Rather, they will be added to a waitlist (described below) and will be given access in the event that there are no households with a disability seeking these services.

- An additional preference may be shown to households or individuals that meet the definition of Homeless over other Qualifying Populations. All four Qualifying Populations will be allowed access to the units created with these HOME-ARP funds, and no Qualifying Population will be prohibited from accessing these units. However, as the intention of these Permanent Supportive Housing units is to provide not only housing, but also wraparound services for those that need the highest level of support within the community, Louisville Metro anticipates that the majority of the tenants served by these units will meet the definition of Homeless. The developer may therefore institute a preference for Homeless depending on the demand for these units among the various Qualifying Populations.

A waitlist will be maintained in conjunction with the Continuum of Care's Single Point of Entry system. This Coordinated Entry waitlist system will be inclusive of all four Qualifying Populations and will assist the developer in applying the above preferences while also maintaining a waitlist that is expanded to include all four eligible QPs.

If a preference was identified, explain how the use of a preference or method of prioritization will address the unmet need or gap in benefits and services received by individuals and

families in the qualifying population or category of qualifying population, consistent with the PJ's needs assessment and gap analysis:

Investments in rental housing designed to support the needs of homeless residents have helped decrease chronically homeless individuals by 8% since 2007. In addition to ending homelessness for chronically homeless people, research has demonstrated that supportive housing for homeless can also increase housing stability, improve health, and lower public costs associated with the use of crisis services such as shelters, hospitals, jails, and prisons.

All of the research and data presented in the Needs Assessment and Gap Analysis points to the need for more affordable housing. It also demonstrates that as incomes decrease, the need for additional resources and more stability supports increases. Support for those who experience chronic homelessness is the most effective when it is paired with wrap around supportive services in addition to housing stability.

Consultation with service providers repeatedly showed a gap in accessibility of these services in existing congregate shelters. Many reported that the shelters were often seen as unwelcoming and unsafe, and many lacked ADA accessible facilities for some of their services. Chronically homeless persons, particularly those with an identifiable disability, benefit most completely from housing specifically designed to support their needs.

The Needs Assessment and Gap Analysis repeatedly showed the strain on the homeless services system is directly linked to the availability of affordable housing units, and the shortage of available, affordable housing units directly contributes to higher levels of homelessness, both long-term and acute. The most effective solution to this crisis is more affordable housing, and the only successful long-term solution for those experiencing chronic homelessness is Permanent Supportive Housing.

If a preference was identified, describe how the PJ will use HOME-ARP funds to address the unmet needs or gaps in benefits and services of the other qualifying populations that are not included in the preference:

The Needs Assessment and Gaps Analysis points clearly and consistently to the need for more affordable housing. Although this tranche of HOME-ARP funding will be specifically prioritized for households with at least one member with an identifiable disability, it nevertheless contributes to the bottom-line, overarching goal of adding affordable housing units to the rental market. Adding these units for the chronically homeless or at greatest risk of homelessness will thereby create a cascading effect of affordability. New units for disabled households within the qualifying populations will thereby increase availability of other units and services for other households within Qualifying Populations. Those At Risk of Homelessness or At Greatest Risk of Housing Instability can avail themselves of the additional units that may be made available when chronically homeless individuals are no longer utilizing those units through vouchers and rental assistance. Furthermore, the addition of supportive services available in the Louisville

community will benefit all Qualifying Populations, including those Fleeing Domestic Violence, as well as all QP's mentioned above.

Ultimately, the addition of new affordable units and an increase in available, accessible services will benefit all Qualifying Populations through its cascading effect of availability. Although these HOME-ARP funds establish a preference for the chronically homeless population, and further a subpopulation of individuals or families with at least one individual with an identifiable disability, the addition of new affordable, accessible units will nonetheless provide a benefit to all Qualifying Populations via the increase in affordable housing stock. This has been consistently identified as Louisville's top priority, and therefore these HOME-ARP funds will address both acute issues exacerbated by COVID, as well as Louisville Metro's long-term goals established in the Consolidated Plan.

HOME-ARP Refinancing Guidelines

If the PJ intends to use HOME-ARP funds to refinance existing debt secured by multifamily rental housing that is being rehabilitated with HOME-ARP funds, the PJ must state its HOME-ARP refinancing guidelines in accordance with [24 CFR 92.206\(b\)](#). The guidelines must describe the conditions under which the PJ will refinance existing debt for a HOME-ARP rental project, including:

- ***Establish a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing to demonstrate that rehabilitation of HOME-ARP rental housing is the primary eligible activity***
- ***Require a review of management practices to demonstrate that disinvestment in the property has not occurred; that the long-term needs of the project can be met; and that the feasibility of serving qualified populations for the minimum compliance period can be demonstrated.***
- ***State whether the new investment is being made to maintain current affordable units, create additional affordable units, or both.***
- ***Specify the required compliance period, whether it is the minimum 15 years or longer.***
- ***State that HOME-ARP funds cannot be used to refinance multifamily loans made or insured by any federal program, including CDBG.***
- ***Other requirements in the PJ's guidelines, if applicable:***

This section is not applicable to Louisville Metro Government. LMG does not propose to use HOME-ARP to refinance existing debt.



Louisville/Jefferson County Metro Government
HOME-ARP Allocation Plan
APPENDICES



DRAFT

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Service Providers Virtual Roundtable Meeting Minutes – November 18, 2021

Community Stakeholder Consultation Meeting Minutes – September 8, 2022

Metropolitan Housing Coalition Letter of Support

Black Lives Matter Letter of Support

Public Comments Received

St. Vincent de Paul, Greer Hannan

Written Comment from Greer Hannan, St. Vincent De Paul

Received September 26, 2022

Dear Michelle,

I would like to share the following public comments on the draft of the HOME-ARP Allocation Plan on behalf of St. Vincent de Paul Louisville:

- 1) St. Vincent de Paul Louisville fully supports the dedication of HOME-ARP funds to the production of new PSH units.
- 2) It is disappointing that \$11,417,313 is projected to produce only 42 units of housing. Could LMG provide more explanation of how this calculation was made? Specifically, in the appendix entitled “Determining Housing Production Goals for the HOME-ARP Allocation Plan Housing Production Goal Calculation Worksheet and FAQ,” on page 52, the average household size is projected as 1.2 persons per household, but the average unit size needed is projected as 2 bedrooms. Standard occupancy guidelines such as HQS establish that up to two persons can be served in a one-bedroom unit. Why is LMG budgeting for 2-bedroom units if the average household size to be served is only 1.2 persons? Would that not result in singles being “over-housed?” If the calculation was instead made for one-bedroom units, would the budget stretch farther, resulting in a substantial increase in units? Or has LMG forecasted that the construction costs for two-bedroom units are equivalent to the construction costs of one-bedroom units? Were efficiency units considered as another strategy to produce more units?
- 3) I suspect that the demographics tables on pages 12–13 have typos in every instance of “ethnicity.” Specifically, I believe that in the tables, the rows “Hispanic” and “non-Hispanic” are accidentally reversed. It is highly unlikely that of people participating in the PIT count or accessing Eviction Prevention programs, 95%+ are Hispanic. We typically see low engagement with homeless services from the Hispanic community, which tends to rely on tightknit networks of extended kinship primarily, or struggles to access housing and shelter at providers that do not have a Language Access Plan.

Thank you,

Greer Hannan

Associate Director of Performance Quality Improvement and Compliance
St. Vincent de Paul Louisville

We house, feed, and support those in need with compassion and dignity.

Develop Louisville Response

Develop Louisville would like to thank Ms. Hannan and St. Vincent de Paul for their comments and commitment to the goal of increasing affordable housing in our community. Specifically, we appreciate the organization's overall support of the proposal to use this HOME-ARP funding for the production of Permanent Supportive Housing, which will provide rental units for those with the highest level of need and include wraparound supports for a multifaceted approach.

LMG would first like to address the comment regarding the proposed unit size included in the Housing Production Goal Calculator. After consideration of both St. Vincent de Paul's comment and the proposals received in the Request for Application (RFA) process, Louisville Metro agrees that an assumption of a majority of 1-bedroom units is a more apt proposal. LMG has made an adjustment to reflect this 1-bedroom preference, and the Housing Production Goal Calculator has been updated accordingly. Nevertheless, the anticipated cost per unit will be approximately the same, and therefore the final goal produced by the calculator will not change.

However, Louisville Metro would like to clarify that it fully anticipates that these projects will be able to combine these HOME-ARP funds with additional funds from other sources. Therefore, the community service provider developing the units may well exceed this goal of 40 units considerably. By leveraging other funds, Louisville Metro anticipates that the 40 units supported with HOME-ARP can be increased to provide a much higher number of PSH units within the selected development. Though the 40 units proposed here may be the estimated number of PSH supported by HOME-ARP specifically, much more than 40 units are anticipated, as additional funds are combined and leveraged.

Finally, Ms. Hannan is correct that a transposition error was made in the Draft regarding the percentage of Hispanic/ Latino vs. non-Hispanic/ Latino beneficiaries. These numbers were inadvertently reversed. The mistake has been corrected in the final version.

Once again, Louisville Metro would like to thank Ms. Hannan and St. Vincent de Paul for their continued support and partnership in the effort to improve affordable housing in the city of Louisville.

**Legal Notice Appearing in the Courier Journal
September 21, 2022**

HUD Goal Production Calculation Worksheet

