

COMMONWEALTH OF KENTUCKY

2019

**ANALYSIS OF IMPEDIMENTS TO FAIR
HOUSING CHOICE**

April 2020

Kentucky Housing Corporation
Department for Local Government

Table of Contents

| | |
|---|----|
| 1. Executive Summary..... | 8 |
| 2. Introduction..... | 14 |
| Background..... | 14 |
| Purpose of the Analysis of Impediments | 10 |
| The Relationship between Fair Housing and Affordable Housing..... | 11 |
| The Federal Fair Housing Act..... | 11 |
| Recent Changes to HUD Program Regulations..... | 13 |
| Methodology used for the AI..... | 14 |
| Use and Presentation of Data..... | 14 |
| Public Engagement..... | 15 |
| 3. Progress Achieved since the 2015 AI..... | 17 |
| Summary of Progress..... | 35 |
| 4. Demographic and Housing Summary | 36 |
| Introduction..... | 36 |
| Key Conclusions..... | 36 |
| Populations Trends | 38 |
| Population of Kentucky and the United States since 2000 | 38 |
| Geographic variation in population growth from 2010 to 2017..... | 38 |
| Race and Ethnicity..... | 41 |
| Geographic variation in race and ethnicity..... | 41 |
| Ancestry and National Origin..... | 44 |
| Foreign-born persons..... | 44 |
| Residency patterns of foreign-born population..... | 44 |

| | |
|--|----|
| Limited English Proficiency (LEP)..... | 48 |
| Disability..... | 52 |
| Income and disability status..... | 54 |
| Families with Children..... | 54 |
| Income, Unemployment and Poverty..... | 57 |
| Household income..... | 57 |
| Unemployment rates by race..... | 58 |
| Poverty rates..... | 59 |
| Housing Tenure, Household Size and Unit Size..... | 63 |
| Housing tenure..... | 63 |
| Household size by race/ethnicity and unit sizes..... | 68 |
| Changes in household income relative to housing costs..... | 70 |
| Segregation/Integration..... | 70 |
| Overview of the Analysis..... | 70 |
| Dissimilarity Index trends..... | 71 |
| Racially/Ethnically Concentrated Areas of Poverty (R/ECAPs)..... | 74 |
| Overview of analysis..... | 74 |
| Identification of R/ECAPs..... | 74 |
| 5. Public Sector Policy Analysis..... | 78 |
| Federal Funding Sources and Programs..... | 78 |
| Community Development Block Grant Program..... | 78 |
| HOME Investment Partnerships Program..... | 81 |
| National Housing Trust Fund..... | 86 |
| Low Income Housing Tax Credit Program and the Qualified Allocation Plan..... | 88 |

| | |
|---|-----|
| Olmstead Housing Initiative | 95 |
| Language Access Plans..... | 96 |
| 6. Private Sector Policy Analysis | 99 |
| Mortgage Lending Analysis..... | 99 |
| 7. Fair Housing Profile..... | 107 |
| Housing Discrimination Complaints..... | 107 |
| U.S. Department of Housing & Urban Development..... | 107 |
| Kentucky Commission on Human Rights..... | 110 |
| 8. Summary of Impediments to Fair Housing Choice..... | 113 |
| Commonwealth of Kentucky Impediments | 113 |
| Local Municipal Impediments..... | 114 |
| 9. Fair Housing Action Plan | 115 |
| Appendix A | 118 |
| Public Engagement Summary & Materials..... | 120 |
| Appendix B | 127 |
| Dissimilarity Indices by County | 127 |

List of Tables

| | |
|---|-----|
| Table 1 Kentucky Population, 2000 - 2017 | 38 |
| Table 2 Kentucky, Race and Ethnicity, 2010 - 2017..... | 41 |
| Table 3 Foreign-born Population and Poverty Status of Households with Children, 2017..... | 44 |
| Table 4 Most Common Languages Spoken Among Those with Limited English Proficiency in Kentucky, 2017 ... | 48 |
| Table 5 Most Common Languages Spoken Among Those with Limited English Proficiency in Jefferson County, 2015 | 49 |
| Table 6 Most Common Languages Spoken Among Those with Limited English Proficiency in Fayette County, 2015 | 49 |
| Table 7 Kentucky Disability Status and Disability Type by Age, 2017..... | 52 |
| Table 8 Disability Status, Labor Force Participation and Poverty, 2017 | 54 |
| Table 9 Kentucky Household Composition, 2010 - 2017 | 55 |
| Table 10 Poverty Status of Households with Children by Household Type, 2017..... | 56 |
| Table 11 Kentucky Household Income by Race/Ethnicity, 2010 - 2017..... | 57 |
| Table 12 Unemployment Rates by Sex and Race/Ethnicity, 2017 | 58 |
| Table 13 Kentucky Poverty Rates by Race, 2010 - 2017..... | 59 |
| Table 14 Tenure by Race/Ethnicity, 2010 - 2017 | 63 |
| Table 15 Household Size by Race/Ethnicity, 2017 | 69 |
| Table 16 Unit Size by Tenure, 2017..... | 69 |
| Table 17 Changes in Housing Costs and Household Income, 2010 - 2017 | 70 |
| Table 18 Summary of the Number of Counties with Varying Levels of Segregation by Race/Ethnicity, 2017..... | 74 |
| Table 19 Modified R/ECAP Census Tracts, 2017 | 75 |
| Table 20 Mortgage Originations by Race/Ethnicity and Income, 2015-2017..... | 102 |
| Table 21 Reasons for Denial of Mortgage Loans, 2015-2017..... | 104 |
| Table 22 High Cost Loans by Race, Ethnicity and Income in Kentucky, 2015-2017 | 106 |
| Table 23 Housing Discrimination Complaints Filed with HUD, 2014-2020 | 108 |
| Table 24 Bases for Alleging Housing Discrimination among Complaints Filed with HUD, 2014-2020 | 108 |
| Table 25 Housing Discrimination Complaints by Issues, 2014-2020 | 109 |
| Table 26 Resolution of Housing Discrimination Complaints filed with HUD, 2014-2020 | 110 |
| Table 27 Level of Segregation in Each County by Race/Ethnicity, 2017..... | 119 |

Table of Maps

- Map 1 Population Change: 2010-2017..... 39
- Map 2 Population Change in Louisville/Jefferson County, 2010-2017 40
- Map 3 Population Change in Lexington-Fayette, 2010-2017..... 40
- Map 4 Non-White Residency Patterns, 2010..... 42
- Map 5 Non-White Residency Patterns, 2017..... 42
- Map 6 Hispanic Residency Patterns, 2010..... 43
- Map 7 Hispanic Residency Patterns, 2017 43
- Map 8 Residency Patterns of Foreign-born Population, 2010..... 45
- Map 9 Residency Patterns of Foreign-born Population, 2017..... 45
- Map 10 Residency Patterns of Foreign-born Population in Louisville/Jefferson County, 2010..... 46
- Map 11 Residency Patterns of Foreign-born Population in Louisville/Jefferson County, 2017 46
- Map 12 Residency Patterns of Foreign-born Population in Lexington-Fayette, 2010..... 47
- Map 13 Residency Patterns of Foreign-born Population in Lexington-Fayette, 2017 47
- Map 14 Residency Patterns of Persons with LEP, 2017 50
- Map 15 Residency Patterns of Persons with LEP, Louisville/Jefferson County, 2017..... 50
- Map 16 Residency Patterns of Persons with LEP, Lexington-Fayette, 2017..... 51
- Map 17 Poverty Rates Kentucky, 2010..... 60
- Map 18 Poverty Rates Kentucky, 2017 60
- Map 19 Poverty Rates Louisville/Jefferson County, 2010..... 61
- Map 20 Poverty Rates Louisville/Jefferson County, 2017 61
- Map 21 Poverty Rates Lexington-Fayette, 2010..... 62
- Map 22 Poverty Rates Lexington-Fayette, 2017 62
- Map 23 Homeownership Rate, 2010 64
- Map 24 Homeownership Rate, 2017..... 65
- Map 25 Homeownership Rate Louisville/Jefferson County, 2010..... 65
- Map 26 Homeownership Rate Louisville/Jefferson County, 2017..... 66
- Map 27 Homeownership Rate Lexington-Fayette, 2010 66
- Map 28 Homeownership Rate Lexington-Fayette, 2017 67

| | |
|---|-----|
| Map 29 Dissimilarity Index, 2010..... | 72 |
| Map 30 Dissimilarity Index, 2017..... | 72 |
| Map 31 Change in Dissimilarity Index, 2010 - 2017..... | 73 |
| Map 32 Racially/Ethnicly Concentrated Areas of Poverty, 2017..... | 76 |
| Map 33 R/ECAPs in Louisville, 2017..... | 77 |
| Map 34 R/ECAPs in Lexington, 2017..... | 77 |
| Map 35 HOME Program Investments in Kentucky, July 2015-June 2018..... | 82 |
| Map 36 HOME Program Investments in Lexington-Fayette County, July 2015-June 2018..... | 83 |
| Map 37 HOME Program Investments in Louisville-Jefferson County, July 2015-June 2018..... | 83 |
| Map 38 National Housing Trust Fund Investments in Kentucky, July 2015-June 2018..... | 87 |
| Map 39 National Housing Trust Fund Investments in Lexington-Fayette County, July 2015-June 2018..... | 88 |
| Map 40 National Housing Trust Fund Investments in Owensboro, July 2015-June 2018..... | 88 |
| Map 41 Low Income Housing Tax Credit Investments in Kentucky, July 2016-June 2018..... | 89 |
| Map 42 Low Income Housing Tax Credit Investments in Lexington-Fayette County, July 2016-June 2018..... | 90 |
| Map 43 Low Income Housing Tax Credit Investments in Louisville-Jefferson County, July 2016-June 2018..... | 90 |
| Map 44 Home Mortgage Denial Rates in Kentucky, 2015-2017..... | 103 |
| Map 45 High Cost Mortgage Loans in Kentucky, 2015-2017..... | 107 |

1. Executive Summary

Introduction

Kentucky Housing Corporation (KHC) and the Kentucky Department for Local Government (DLG) have collaborated on the development of the Analysis of Impediments to Fair Housing Choice (AI). The AI includes a review of demographic and housing data, an assessment of the progress achieved since the previous AI, analysis of public and private sector policies and programs that impact housing decisions across the Commonwealth, a listing of impediments that restrict fair housing choice for Kentuckians, and a series of recommended actions to remove the identified impediments.

The Housing and Community Development Act of 1974 requires that any state receiving HUD funds affirmatively further fair housing. Entities receiving HUD entitlement funds are required to:

- Examine and attempt to alleviate housing discrimination within their jurisdiction
- Promote fair housing choice for all persons
- Provide opportunities for all persons to reside in any given housing development, regardless of race, color, religion, gender, disability, familial status, or national origin
- Promote housing that is accessible to and usable by persons with disabilities, and
- Comply with the non-discrimination requirements of the Fair Housing Act.

These requirements can be achieved through the preparation of an AI. An AI is a review of a jurisdiction's laws, regulations, and administrative policies, procedures, and practices affecting the location, availability, and accessibility of housing. It is also an assessment of conditions, both public and private, affecting fair housing choice.

An impediment to fair housing choice is defined as any action, omission, or decision that restricts or has the effect of restricting the availability of housing choices to members of the protected classes. The federal Fair Housing Act prohibits discrimination in housing based on race, color, religion, sex, national origin, familial status and disability. These are referred to as protected classes because they are groups of individuals protected by fair housing law. The Kentucky Fair Housing Act includes these same seven protected classes.

This AI serves as the basis for fair housing planning; provides essential information to policy makers, administrative staff, housing providers, lenders, and fair housing advocates; and assists in building public support for fair housing efforts. The State is expected to review and approve the AI and use it for direction, leadership, and resources for future fair housing planning. The AI will serve as a point-in-time baseline against which future progress in implementing fair housing initiatives will be evaluated and recorded.

Fair Housing Action Plan

The Fair Housing Action Plan includes recommended actions for KHC and DLG separate from several actions recommended for the Commonwealth of Kentucky as a whole. The reason for this categorization is that KHC and DLG, within their own agencies' missions, have many worthwhile programs and initiatives that affirmatively further fair housing, and these must be continued in addition to several new actions recommended. The actions recommended for the Commonwealth reflect instances where a higher level of collaboration among a larger number of State agencies would be necessary for impactful change to occur. While the parties intend to fulfill the efforts below, they recognize that addressing certain impediments require the resources and efforts of parties beyond KHC and DLG's scope of control.

Recommendations for Actions by KHC

The following recommendations are specific to KHC and its policies and programs.

- Fair Housing Education and Outreach
 - Continue to financially and administratively support bilingual housing counseling and education efforts.
 - Continue to promote and market the "Simply Home" exhibit to municipalities and institutions across Kentucky as a vehicle for fair housing education and outreach.
 - Continue to collaborate with the Kentucky Commission on Human Rights and Lexington Fair Housing Council, Inc. to expand education and outreach efforts and to identify gaps in need of additional efforts.
 - Continue the marketing, outreach and engagement activities with multicultural populations across Kentucky via the Multicultural Customer Service and Outreach Coordinator.
- Expansion and Preservation of Affordable Housing in a Variety of Locations

- Continue to allocate LIHTC funding to projects that prioritize higher opportunity areas and avoid concentrations of affordable housing.
- Continue the Down Payment Closing Cost Assistance Program and the Homebuyer Loan Program for income-eligible homebuyers. Evaluate a preference for low- and moderate homeowners in neighborhoods at risk for displacement due to gentrification.
- Continue the Homeowner Rehab Program and the Weatherization Assistance Program to preserve the existing affordable housing inventory and lower homeowner costs. Evaluate a preference for low- and moderate-income homeowners in neighborhoods at risk for displacement due to gentrification.
- Continue to advocate for affordable housing resources among local, State and Congressional delegations.
- Continue the Tenant-based and Project-based Rental Assistance Programs to ensure affordable rental assistance for protected classes across the Commonwealth, including assistance to individuals with disabilities and/or recovering from substance abuse.
- Continue to seek Continuum of Care funding for rapid-rehousing and permanent supportive housing developments that provide affordable housing options and related services for protected classes.
- Evaluate tools and methods to connect people to housing, such as housing service locator tools.
- Enforcement of Design and Construction Requirements
 - Expand the *Certification of Compliance with Design Requirements for Accessible Housing* to require that general contractors involved in the design and construction of new multifamily residential properties sign the certification form, in addition to owners/developers and architects.
 - Continue allocation of funding to projects that include accessibility design features such as aging-in-place, Universal Design, ADA and UFAS construction standards.
- Ensure Access to Programs and Services for LEP Populations
 - Annually update the Language Access Plan to reflect a review of any demographic changes statewide and for each county, and the results of monitoring for the effectiveness of the plan's implementation.

- Evaluate collecting preferred language data at time of single family loan origination to provide improved loan servicing to LEP populations.

Recommendations for Actions by DLG

The following recommendations are specific to DLG and its policies and programs.

- Fair Housing Education and Outreach
 - Continue to collaborate with the Kentucky Commission on Human Rights and Lexington Fair Housing Council, Inc. to expand education and outreach efforts.
- Expansion and Preservation of Affordable Housing in a Variety of Locations
 - Continue to fund eligible applications for housing rehabilitation to preserve the existing affordable housing inventory in Kentucky's smaller communities.
 - Continue to fund eligible applications for public infrastructure and public facility projects to improve the quality of life for low- and moderate-income households in Kentucky's smaller communities.
 - Continue to advocate for affordable housing resources among local, State and Congressional delegations.
 - Continue to fund eligible applications for local economic development projects to improve economic mobility and the quality of life for low- and moderate-income households in Kentucky's smaller communities.
- Ensure Access to Programs and Services for LEP Populations
 - Annually update the Language Access Plan to reflect a review of any demographic shifts statewide and for each county, and the results of monitoring for the effectiveness of the plan's implementation.
- Ensure Subrecipient Units of Government Comply with their Obligation to Affirmatively Further Fair Housing
 - Continue the fair housing compliance and monitoring initiatives as part of the CDBG Program.
 - Adopt a policy to consider denying or withholding funding from applicants that have engaged in discriminatory behavior. For example, if a local unit of government has a pending public infrastructure funding application with DLG but has recently denied the

approval of an affordable housing project based on discrimination of the potential tenants, then DLG should consider denying or withholding approval of the pending application until the discriminatory matter is resolved. Although the pending application may not involve or be related to the proposed affordable housing project, DLG has a legal obligation to affirmatively further fair housing by not investing federal funds such as CDBG resources in a community that engages in discriminatory behavior such as denying an affordable housing project for members of the protected classes for reasons that are not related to objective land use and development standards.

Recommendations for Actions by Kentucky

KHC and DLG are recipients of HUD funding that is administered throughout Kentucky; however, other State agencies also have a role in Kentucky's efforts to affirmatively further fair housing. To ensure that there is a concerted level across State agencies, the following recommendations are made.

- Collaborate with other State agencies and community partners to affirmatively further fair housing
 - Seek opportunities to align policies and funding to expand affordable housing opportunities and explore avenues for practical fair housing solutions between various State agencies and community partners.
- Engage with stakeholders to explore possible legislative solutions to impediments to fair housing
 - Review State regulations regarding compliance with federal fair housing laws and regulations.
 - Continue to support efforts to expand the list of protected classes in the Kentucky Fair Housing Act.

Recommendations for Actions by Municipalities and Counties

Municipalities and counties play a central role in ensuring that Kentuckians have access to housing in a variety of locations. Although the State and its agencies may not be able to require compliance with the recommended actions listed below, they are worthy initiatives that would affirmatively further fair housing through local administrative decisions, planning documents and municipal ordinances.

- Expansion of affordable housing in a variety of locations

- Identify developable land within the municipality for developers of affordable housing
- Participate in regional planning efforts to ensure that there is affordable housing in a variety of locations
- Support funding applications, zoning decisions and other administrative functions to expand the inventory of affordable housing options for protected classes
- Fair Housing Education and Outreach
 - Engage the Kentucky Commission on Human Rights and/or Lexington Fair Housing Council, Inc. to provide fair housing education and outreach at the local or regional level with topics appropriate for residents, landlords, appointed boards and commissions, elected officials, real estate professionals, architects, etc.

2. Introduction

Background

Equal and unimpeded access to residential housing is a fundamental civil right that enables members of protected classes, as defined in the federal Fair Housing Act, to pursue personal, educational, employment, or other goals. Because housing choice is so critical to personal development, fair housing is a goal that government, public officials, and private citizens must embrace if social equity is to become a reality.

The federal Fair Housing Act prohibits discrimination in housing based on a person's race, color, religion, gender, disability, familial status, or national origin. In addition, the U.S. Department of Housing and Urban Development (HUD) issued a Final Rule on February 3, 2012 that prohibits entitlement communities, public housing authorities, and other recipients of federal housing resources from discriminating on the basis of actual or perceived sexual orientation, gender identity, or marital status. Persons who are protected from discrimination by fair housing laws are referred to as members of the protected classes.

HUD awards funds from the Community Development Block Grant (CDBG), HOME Investment Partnership, Housing Opportunities for Persons with AIDS (HOPWA), and Emergency Solutions Grant (ESG) programs directly to eligible municipalities of a certain size. Administration of these programs for places other than these large entitlement communities is given to the state, since states are in the best position to know, and to respond to, the needs of local governments.

As administrators of HUD funding, Kentucky Housing Corporation and the Department for Local Government have specific fair housing planning responsibilities including:

- conducting an Analysis of Impediments to Fair Housing Choice;
- developing actions to overcome the effects of identified impediments to fair housing; and
- maintaining records to support initiatives to affirmatively further fair housing.

HUD interprets these three certifying elements to include:

- analyzing housing discrimination in a jurisdiction and working toward its elimination;
- promoting fair housing choice for all people;
- providing racially and ethnically inclusive patterns of housing occupancy;
- promoting housing that is physically accessible to and usable by all people, particularly individuals with disabilities; and
- fostering compliance with the nondiscrimination provisions of the Fair Housing Act.

Since the State allocates HUD funding to subrecipients and does not undertake community development projects itself, its available direct actions for furthering fair housing choice are limited. The State must fulfill its responsibilities through incentivizing desired outcomes and discouraging or disallowing inappropriate activities. It cannot mandate that communities or developers submit certain projects for funding.

Purpose of the Analysis of Impediments

The Housing and Community Development Act of 1974 requires that any community receiving HUD funds affirmatively further fair housing. Communities receiving HUD entitlement funds are required to:

- examine and attempt to alleviate housing discrimination within their jurisdiction;
- promote fair housing choice for all persons;
- provide opportunities for all persons to reside in any given housing development, regardless of race, color, religion, gender, disability, familial status, or national origin;
- promote housing that is accessible to and usable by persons with disabilities; and
- comply with the non-discrimination requirements of the Fair Housing Act.

These requirements can be achieved through the preparation of an Analysis of Impediments to Fair Housing Choice (AI).

An AI is a review of a jurisdiction's laws, regulations, and administrative policies, procedures, and practices affecting the location, availability, and accessibility of housing. It is also an assessment of conditions, both public and private, affecting fair housing choice.

This AI will:

- evaluate population, household, income, and housing characteristics by protected classes;
- evaluate public and private sector policies that impact fair housing choice;
- identify blatant or de facto impediments to fair housing choice where any may exist; and
- recommend specific strategies to overcome the effects of any identified impediments.

An impediment to fair housing choice is defined as any action, omission, or decision that restricts or has the effect of restricting the availability of housing choices to members of the protected classes.

This AI serves as the basis for fair housing planning; provides essential information to policy makers, administrative staff, housing providers, lenders, and fair housing advocates; and assists in building public support for fair housing efforts. The State is expected to review and approve the AI and use it for direction, leadership, and resources for future fair housing planning. The AI will serve as a point-in-time baseline against which future progress in implementing fair housing initiatives will be evaluated and recorded.

The Relationship between Fair Housing and Affordable Housing

To the extent that members of the protected classes tend to have lower incomes, then access to fair housing is related to affordable housing. In many areas across the U.S., a primary impediment to fair housing is a relative absence of affordable housing. Often, the public policies implemented in towns and cities can contribute to the lack of affordable housing in these communities, thereby disproportionately affecting housing choice for members of the protected classes.

The Federal Fair Housing Act

The Federal Fair Housing Act covers most housing. In some circumstances, the Act exempts owner-occupied buildings with no more than four units, single family housing sold or rented without the use of a broker, and housing operated by organizations and private clubs that limit occupancy to members.

In the sale and rental of housing, no one may take any of the following actions based on race, color, religion, gender, disability, familial status, or national origin:

- refuse to rent or sell housing;
- refuse to negotiate for housing;
- make housing unavailable;
- deny a dwelling;
- set different terms, conditions, or privileges for the sale or rental of a dwelling;
- provide different housing services or facilities;
- falsely deny that housing is available for inspection, sale, or rental;
- persuade owners to sell or rent at a loss (“blockbusting”); and/or
- deny anyone access to or membership in a facility or service (such as a multiple listing service) related to the sale or rental of housing.

In mortgage lending, no one may take any of the following actions based on race, color, religion, gender, disability, familial status, or national origin:

- refuse to make a mortgage loan;
- refuse to provide information regarding loans;
- impose different terms or conditions on a loan, such as different interest rates, points, or fees;
- discriminate in appraising property;
- refuse to purchase a loan; and/or
- set different terms or conditions for purchasing a loan.

The Fair Housing Act also includes other prohibitions. It is illegal for anyone to:

- Threaten, coerce, intimidate, or interfere with anyone exercising a fair housing right or assisting others who exercise that right.
- Advertise or make any statement that indicates a limitation or preference based on race, color, religion, gender, disability, familial status, or national origin. This prohibition against discriminatory advertising applies to single family and owner-occupied housing that is otherwise exempt from the Fair Housing Act.

Additional protections for persons with disabilities are provided. If someone has a disability (including but not limited to: hearing; mobility and visual impairments; chronic alcoholism; chronic mental illness; HIV/AIDS, AIDS-related complex; and intellectual disability) that substantially limits one or more major life activities, has a record of such a disability, or is regarded as having such a disability, a landlord may not:

- Refuse to let the person with a disability make reasonable modifications to a dwelling or common use areas at the person's expense, if necessary for the person to use the housing. Where reasonable, the landlord may permit changes only if the person agrees to restore the property to its original condition when that person moves.
- Refuse to make reasonable accommodations in rules, policies, practices, or services if necessary for the person with a disability to use the housing.

Housing opportunities for families with children are protected. Unless a building or community qualifies as housing for older persons, it may not discriminate based on familial status. That is, it may not discriminate against families in which one or more children under the age 18 live with a parent, a legal custodian, or a designee of the parent or legal custodian with written permission. Familial status protection also applies to pregnant women and anyone securing legal custody of a child under age 18.

Housing for older persons is exempt from the prohibition against familial status discrimination if:

- the HUD Secretary has determined that it is specifically designed for and occupied by elderly persons under a federal, state, or local government program;
- it is occupied solely by persons who are 62 or older; or
- it houses at least one person who is 55 or older in at least 80% of the occupied units and adheres to a policy that demonstrates the intent to house persons who are 55 or older, as previously described.

Recent Changes to HUD Program Regulations

On March 5, 2012, HUD implemented policies to ensure that its core programs are open to all eligible individuals and families regardless of sexual orientation, gender identity, or marital status. In response to evidence suggesting that lesbian, gay, bisexual, and transgender individuals and families were being arbitrarily excluded from housing opportunities in the private sector, HUD's aim was to ensure that its own

programs do not allow for discrimination against any eligible person or household, and that HUD's own programs serve as models for equal housing opportunity.

This change to HUD program regulations does not amend the Fair Housing Act to prohibit all discrimination in the private market on the basis of sexual orientation, gender identity, or marital status. However, it prohibits discrimination of those types by any housing provider who receives HUD funding, including public housing agencies, those who are insured by the Federal Housing Administration (including lenders), and those who participate in federal entitlement grant programs through HUD.

Methodology used for the AI

A comprehensive approach was used to complete the Analysis of Impediments to Fair Housing Choice for the Commonwealth of Kentucky. The following sources were utilized:

- the most recently available demographic data regarding population, household, housing, income, and employment at the census tract and municipal level;
- public policies affecting the siting and development of housing;
- administrative policies concerning housing and community development;
- financial lending institution data from the Home Mortgage Disclosure Act (HMDA) database;
- agencies that provide housing and housing related services to members of the protected classes;
- fair housing complaints filed with HUD and the Kentucky Human Rights Commission; and
- interviews and workshop sessions conducted with agencies and organizations that provide housing and housing related services to members of the protected classes.

Use and Presentation of Data

The data used for the tables and maps in the AI covers the entire Commonwealth and are presented as collective statewide conditions at the county level. There are nine cities in Kentucky that receive funding directly from HUD, however, and are responsible for completing and submitting their own AIs. These cities (Ashland, Bowling Green, Covington, Elizabethtown, Henderson, Hopkinsville, Lexington, Louisville, Owensboro) are included in the AI because of their importance in driving regional trends

across Kentucky. They are also included because KHC invests several of its housing resources (HOME, LIHTC, HTF, etc.) in these cities.

To ensure that the AI is as current as possible, most of the census data used in this report is American Community Survey (ACS) sample data rather than 2010 Census data. To make the best of sample-based ACS data and reduce sampling error, data compiled at five-year increments between 2013 and 2017 were used. Census 2010 Summary File 1 data were used as the most recent data source when 2013-2017 ACS data were unavailable. Census tracts were used as the smallest unit of geographic analysis, aggregated up to the county in some cases, and form the basis of most maps.

Public Engagement

An extensive Outreach Plan was carried out jointly for the Commonwealth's Analysis of Impediments to Fair Housing Choice, the Consolidated Plan and the Annual Action Plan. Across all outreach initiatives, the most frequently cited needs include the following:

- Affordable housing
 - Adequate funding at federal and state levels to develop more affordable housing and provide more rental assistance
 - Adequate supply of affordable housing to meet the demand in urban and rural areas
 - Support for affordable housing from local, regional and state officials
 - Affordable housing accessible to people with disabilities
- Fair housing
 - Support from local officials for all types of affordable housing, including emergency housing and permanent housing
 - Education for landlords
 - Education for tenants on rights and responsibilities
 - Education for the public
 - Fair housing enforcement
- Community development

- Affordable transportation, including public transit with frequent service and service for second and third shift workers
- Workforce development
- Other supportive services to keep individuals and families housed—substance abuse treatment, case management, childcare

Details of the outreach materials are included in Appendix.

3. Progress Achieved since the 2015 AI

Kentucky's last Analysis of Impediments was completed in 2014 and identified a total of 49 impediments to fair housing choice across 23 categories. Each impediment and associated recommendation(s) from the 2014 AI are listed below, along with a brief summary of the progress the Commonwealth has made. Progress achieved since the 2014 AI was provided by KHC and DLG.

| 2014 Impediment | Progress Achieved since 2014 |
|--|--|
| <p>1. CREDIT</p> <p>a. Emphasis on credit scores has an adverse and disproportionately negative impact upon minorities and protected classes.</p> <p>b. Credit scores are inflexible and fail to reflect the full economic reality of each individual. For example, penalties for failure to pay rent but no credit enhancements for making rent payments.</p> <p>c. Increased reliance and importance of credit scores will continue to disproportionately impact minorities and protected classes and exclude them from both rental and purchased home options.</p> | <p>Generally speaking, KHC does not have authority over credit scores in any aspect; however, to the extent that KHC can support housing counseling and education efforts, the following initiatives were undertaken.</p> <p>a. KHC supports housing counseling and education efforts across the Commonwealth by providing grants to a network of non-profit agencies. In the past 5 years, KHC has applied for and acted as intermediary for HUD's Comprehensive Counseling Grants, receiving a total of \$1,417,914 in support of housing education and counseling. Additionally, KHC has sub-granted \$410,000 of its Housing Assistance Funds in the past 5 years for the same purpose. Certain counseling and education outreach efforts are performed in foreign languages to reach non-English speaking populations. The counseling and education efforts can include ways to improve credit scores. See Appendix B for attached lists detailing events, attendees, and additional information, and a sampling of event flyers, agendas/speakers, and sign-in sheets for such events.</p> <p>b. Credit scores, in terms of how they are generated, interpreted by reviewers and used by landlords, are not under the authority of KHC.</p> <p>c. Credit scores, in terms of how they are generated, interpreted by reviewers and used by landlords, are not under the authority of KHC.</p> |

| 2014 Impediment | Progress Achieved since 2014 |
|--|---|
| <p>2. APPRAISALS</p> <p>a. Changes in the appraisal process, including outsourcing of the services, have contributed to increased devaluation of minority neighborhoods.</p> | <p>Though KHC and DLG cannot directly impact the appraisal process, KHC has offered down payment assistance, homeownership counseling, and educational materials that assist minority populations. An outcome of these efforts can be to stabilize neighborhoods and improve property values. Additionally, KHC’s single-family homebuyer development program, in an effort to sustain and increase home equity in Kentucky communities, requires that assisted homes be sold at appraised value, with homebuyer subsidy filling the gap between sales price and buyer borrowing capacity. This policy works to increase comparable home sales that can sustain or increase home values in some disinvested neighborhoods.</p> |
| 2014 Impediment | Progress Achieved since 2014 |
| <p>3. LENDING</p> <p>a. The problem of sub-prime lending has been replaced by the fact that many minority and protected classes are excluded from being eligible for any home mortgage lending.</p> <p>b. When any loans still remain a possibility, minorities are excluded or steered away from the best lending terms.</p> | <p>a. KHC’s housing counseling and education efforts strive to educate the community, including minorities, on lending terms, their rights, and financial management, among other things. See Appendix B for attached lists detailing events, attendees, and additional information, and a sampling of event flyers, agendas/speakers, and sign-in sheets for such events.</p> <p>b. KHC’s housing counseling and education efforts strive to educate the community, including minorities, on lending terms, their rights, and financial management, among other things. See Appendix B for attached lists detailing events, attendees, and additional information, and a sampling of event flyers, agendas/speakers, and sign-in sheets for such events.</p> |

| 2014 Impediment | Progress Achieved since 2014 |
|--|---|
| <p>4. PREDATORY PRACTICES</p> <p>Fast cash for home programs often leaves the home borrower still owing on a mortgage, after the house has already been sold.</p> | <p>This recommendation is beyond the authority of KHC to remedy within the confines of its programs and services. However, the topic of predatory lending is covered in its counseling and education initiatives. In addition to KHC’s counseling and education efforts, KHC’s loan servicing team works with clients to discuss options, such as loss mitigation, in the event of loan defaults in order to avoid foreclosure procedures. Additionally, KHC offers programs that relieve financial strains for homeowners, including down payment assistance, weatherization and home repair programs.</p> |
| 2014 Impediment | Progress Achieved since 2014 |
| <p>5. ENVIRONMENTAL</p> <p>a. Building codes do not currently take into account internal chemical hazards and risks faced by occupants.</p> <p>b. Housing often ends up being placed in environmentally hazardous areas, particularly where minorities and other protected classes are concerned.</p> | <p>a./b. KHC’s Multifamily department requires that a Phase I Environmental Site Assessment be provided for all new construction projects consisting of more than four units and requesting HOME, NHTF, Risk-sharing and/ or Project-Based Section 8 as any portion of funding. The environmental site assessment evaluates whether a parcel of land or real estate potentially has the presence of any hazardous substances or petroleum products. KHC also requires a Lead-Based Paint Inspection and Assessment and/ or proof of abatement on any property constructed prior to 1978. If an inspection and assessment is completed and lead-based paint is detected, then the developer is required to abate the lead-based paint and provide proof of the completed abatement as part of the normal due diligence documentation.</p> <p>KHC has also re-introduced low VOC (Volatile Organic Compound) paint requirements into the 2020 revision of its Minimum Design Standards.</p> <p>Additionally, if KHC’s excavation and footing inspections reveal environmental/hazardous substance issues, KHC mandates all issues be resolved before proceeding.</p> <p>DLG will not rehab or construct housing in environmentally hazardous areas. All CDBG projects must have environmental clearance before funding. DLG must follow all Lead-based regulation before rehabilitation of housing units.</p> |

| 2014 Impediment | Progress Achieved since 2014 |
|---|--|
| <p>6. ZONING</p> <p>a. Particularly in urban areas, zoning has resulted in separating residential development according to class or economic status and has perpetrated segregation by race and class.</p> | <p>Zoning authority is under the authority of local jurisdictions in Kentucky.</p> <p>In addition to the efforts discussed in LIHTC Projects section below (#8), KHC curated a “Simply Home” exhibit to showcase the faces of affordable housing and how affordable housing creates good neighbors. Organizations serving partner and public audiences may request this exhibit for showings in an accessible place by the public. Civic organizations, libraries, museums, and other places that can accommodate the floor space for the 24-foot by 34-foot exhibit and consider the 4-foot accessibility for compliance with ADA are great showcases for the exhibit. KHC staff will deliver and set up the exhibit onsite, free of charge, as a service to the Commonwealth. This educational effort serves in part to reduce resistance to affordable housing.</p> |
| 2014 Impediment | Progress Achieved since 2014 |
| <p>7. INSURANCE</p> <p>a. Insurance rates continue to remain high, with no reduction in the rates even after potential homeowners complete homeownership counseling or other programs, such as Habitat for Humanity.</p> | <p>This recommendation is beyond the authority of KHC to remedy within the confines of its programs and services. Although KHC cannot address this issue directly, KHC offers programs that relieve financial strains for homeowners, including down payment assistance, weatherization and home repair programs. KHC also allows borrowers to review their mortgage escrow account with the possibility of making affordable adjustments if needed.</p> |

| 2014 Impediment | Progress Achieved since 2014 |
|--|---|
| <p>8. TAX CREDIT PROJECTS</p> <p>a. Tax credit projects have historically not been administered through a fair housing lens, although steps recently taken by KHC have begun to rectify this problem.</p> | <p>KHC’s Multifamily department requires all applicants requesting federal funding, including Low Income Housing Tax Credits, to submit an Affirmative Fair Housing Marketing Plan (properties with five or more units), Fair Housing Plan, Title VI Self-Survey and Statement of Assurance, and a Section 504 Self-Evaluation. All Multifamily applicants requesting any type of KHC funding must provide a Tenant Selection Plan and a sample of their Tenant Lease.</p> <p>As a way to help deconcentrate areas of low-income housing, KHC, through its competitive application scoring process, incentivizes new construction of multifamily properties that are located in areas with strong performing schools and areas of greatest job growth.</p> <p>There is also scoring preference for properties located in areas with a poverty rate of at least 1% below the state average. Properties located in a QCT are only given a scoring preference if the property is located in a defined target area for which the local jurisdiction has formally adopted a plan for revitalization, community development and/or economic development. In 2019, KHC approved eight projects in QCTs. Additionally, one project was approved in an area with strong schools.</p> |

| 2014 Impediment | Progress Achieved since 2014 |
|--|---|
| <p>9. FORECLOSURES</p> <p>a. Maintenance on foreclosed properties often varies depending on whether a property is in a poor minority area or a wealthier predominantly white area.</p> | <p>For servicing and preservation, KHC does not differentiate among property locations, whether a property is in a poor minority area or a wealthier predominantly white area. Preservation is driven by insurer guidelines and often local municipal ordinances regarding blighted properties. Additionally, KHC maintains foreclosed properties to minimize potential negative impact of a vacant property in area neighborhoods and communities.</p> <p>Although, previous lack of preservation by other servicers in Kentucky may have been practiced, preservation improvements have been made through the proactive steps being taken within the local communities through development and implementation of property vacancy guidelines including vacant property registrations, maintenance ordinances, and judgment liens/fines being assessed.</p> <p>DLG does not provide foreclosure counseling on CDBG-financed housing.</p> |
| 2014 Impediment | Progress Achieved since 2014 |
| <p>10. MISCELLANEOUS</p> <p>a. While discriminatory provisions and restrictions in deeds are now legally invalid in that they cannot be enforced, the language still remains in hundreds or thousands of deeds, sending an unwelcoming message to those groups targeted by that language.</p> <p>b. The current land bank system is somewhat ineffective and rather archaic.</p> <p>c. Utilities are part of housing costs, but LIHEAP gives increased funding to rural areas over urban areas.</p> | <p>a. This recommendation is beyond the authority of KHC to remedy within the confines of its programs and services.</p> <p>b. This recommendation is beyond the authority of KHC to remedy within the confines of its programs and services.</p> <p>c. This recommendation is beyond the authority of KHC to remedy within the confines of its programs and services.</p> |

| 2014 Impediment | Progress Achieved since 2014 |
|---|--|
| <p>11. INADEQUATE STATE AND LOCAL LAWS</p> <p>a. The Kentucky Fair Housing Act is not sufficiently broad and leaves out LGBT, elderly, and those receiving government benefits as protected classes.</p> <p>b. Uniform Residential Landlord Tenant Act (URLTA) is of limited impact, as it is in effect in only a few communities.</p> <p>c. Immigrants feel both unwelcome and at risk of having their homes taken away by virtue of the escheat provisions of Kentucky law under KRS 381.300.</p> <p>d. Legislative involvement or interest in affordable housing has diminished in the past 40 years.</p> | <p>a. KHC will continue to support efforts to expand the protected classes at the state level.</p> <p>b. KHC’s Multifamily Program Guidelines require that developers who receive funding or housing credits adhere to the requirements of URLTA.</p> <p>c. See Appendix B for attached lists detailing events, attendees, and additional information, and a sampling of event flyers, agendas/speakers, and sign-in sheets for such events.</p> <p>d. In fiscal year 2018, KHC staff and Board of Director members met, in person, with all members of our federal delegation at least once and have met with most members over five times. Kentucky’s effort was built around a series of visits to Congressional offices on Capitol Hill on three separate occasions. In June of 2017, KHC’s new executive director and general counsel, along with a key Board member of KHC, visited congressional offices in Washington, D.C. During this visit, KHC officials discussed the importance of maintaining HUD’s HOME Investment Partnerships Program and expanding and strengthening the Low Income Housing Tax Credit (LIHTC) program. They also discussed concerns with HUD’s Project-Based Contract administering rental assistance vouchers. This messaging focused specifically on the impact of losing the PBCA contract on critical programs offered in Kentucky. This visit included meetings with Senators Mitch McConnell and Rand Paul, Congressmen Hal Rogers, Brett Guthrie, John Yarmuth, Andy Barr, and the staff of Congressman James Comer.</p> <p>Later in the year KHC’s executive director again traveled to Washington, D.C., for meetings with legislators during the mark-up of tax reform legislation. This was a critical time to be on Capitol Hill, as the House version of the tax reform bill eliminated private activity bonds for housing, thereby eliminating the 4 percent LIHTC. KHC engaged NCSHA during these visits as a national partner and to offer perspective from other states. This visit included meetings with Congressmen Andy Barr, Brett</p> |

Guthrie, Thomas Massie, the staff of Senators Mitch McConnell and Rand Paul, and the staff of Congressmen Hal Rogers and John Yarmuth.

KHC staff also took advantage of the opportunity afforded by NCSHA's Legislative Conference. Activities during this time included direct meetings with several Kentucky legislators, including Senators Mitch McConnell and Rand Paul, Congressmen Brett Guthrie, Andy Barr, and John Yarmuth. In addition, KHC staff conducted personal meetings with Senator Joe Manchin of West Virginia and Representative Trey Hollingsworth of Indiana.

The meetings listed above are in addition to several meetings with legislators at home in Kentucky.

In August 2018, KHC's Executive Director testified before the House Subcommittee on Housing and Insurance regarding the importance of housing in addressing the opioid crisis at a field hearing in Lexington, KY.

In March 2019, a board member and KHC Executive Director met with the following legislators while attending the 2019 NCSHA Legislative Conference in Washington: Senator Joe Manchin, West Virginia; Senator Todd Young, Indiana; Congressman Trey Hollingsworth, Indiana; Senator Rand Paul, Kentucky; Congressman Brett Guthrie, Kentucky; Senator Rand Paul, Kentucky; and Congressman John Yarmuth, Kentucky. KHC's Executive Director also met with Congressman Andy Barr, Kentucky.

| 2014 Impediment | Progress Achieved since 2014 |
|--|---|
| <p>12. CRIMINAL JUSTICE SYSTEM</p> <p>a. As the criminal justice system moves to increasing use of diversion, early release, and lighter sentences, the prison population is reentering back into the community at a faster rate, and often re-enters into segregated areas.</p> <p>b. Past criminal convictions limit housing options, are treated differently by different housing jurisdictions, and often result in those with convictions being funneled into certain areas.</p> | <p>a./b. KHC has changed its Section 8 program policy. Instead of a blanket denial for applicants with certain types of criminal records within a 3-year period, KHC now conducts a case-by-case determination for each applicant with a criminal history, factoring in the nature and severity of the conviction as well as any mitigating actions taken by the applicant after conviction. This change is in accordance with the HUD General Counsel memo describing the application of the Fair Housing Act to the use of criminal records. At KHC’s annual conference in 2018, representatives from the Lexington Fair Housing Council presented and discussed to the conference attendees regarding criminal history and how it relates to discrimination.</p> |
| 2014 Impediment | Progress Achieved since 2014 |
| <p>13. FAIR HOUSING</p> <p>a. Housing discrimination complaints are handled by both federal and local Agencies, creating confusion, rigidity, and overlap.</p> <p>b. Fair Housing Reports (known as the Analysis of Impediments, or AIs) have historically been reviewed only ever 5 years and each jurisdiction’s AI has tended to be viewed in isolation.</p> | <p>a./b. The manner in which housing discrimination complaints are regulated is under the authority of HUD; however, KHC collaborates with Lexington Fair Housing Council and the Kentucky Commission on Human Rights by engaging these organizations with fair housing questions and referring calls to them, when appropriate.</p> |

| 2014 Impediment | Progress Achieved since 2014 |
|--|--|
| <p>14. CONNECTIVITY: TRANSPORTATION AND INTERNET</p> <p>a. Housing must be linked to other resources, but with inadequate or no means of transportation in rural areas, rural renters and homeowners are separated from needed resources, such as Employment, healthcare, or in the case of domestic violence victims, forced to continue to live with an abusive spouse or partner.</p> <p>b. Kentucky ranks 40th in residential access to high-speed Internet, which tends to be most highly concentrated in the center, more urban area of the state, known as the Golden Triangle. Even among those with access to high-speed Internet, many do not know how to use it. In today's economy, internet access can prove a substitute for poor or nonexistent roads.</p> | <p>a. KHC, as Collaborative Applicant for the Kentucky Balance of State Continuum of Care, has secured CoC funding for rapid rehousing for survivors of domestic violence, including newly awarded "DV Bonus" projects that will serve the entirety of the Balance of State. KHC also supports domestic violence shelters via Emergency Solutions Grant funding and provides HOME Tenant-Based Rental Assistance funding to shelters to serve victims in need of new housing.</p> <p>b. KHC's Minimum Design Standards mandate that all dwelling units shall have the ability to connect to the internet by telephone connection, cable modem, or a secured wireless connection provided by the property. All dwellings units shall be supplied with signal strength adequate for connection to the internet, and common areas accessible by the residents shall be supplied with signal strength adequate for connection to the internet.</p> |

| 2014 Impediment | Progress Achieved since 2014 |
|---|--|
| <p>15. INADEQUATE AFFORDABLE HOUSING STOCK</p> <p>a. The overall housing vacancy rate is so low that protected classes are at an increased risk for being rejected.</p> | <p>KHC creates overarching strategies for its fiscal years. A key overarching strategy for KHC has been to provide holistic housing solutions in an effort to provide optimal impact. Through enhanced utilization of data and analytics, KHC hopes to improve policies and decision making to this end.</p> <p>KHC’s mission is to invest in quality housing solutions for families and communities across Kentucky. KHC strives to increase the supply of affordable housing in the Commonwealth by investing in the creation and rehabilitation of affordable multi-family and single-family units. KHC provides tenant and/or project-based rental assistance that increases housing availability for low-income residents in protected classes via the following programs: HCV, HOME, CoC, ESG, HOPWA and the Olmstead Housing Initiative.</p> <p>In program 2016, DLG assisted 56 households with rehabilitation, 3 of which were Black/African American. In PY 2017, of the 138 households assisted, 13 (10%) were Black/African American, 1 was Asian and 8 were Hispanic. In PY 2018, of the 242 households assisted, 34 were Black/African American, 10 were multi-racial and 6 were Hispanic.</p> |
| 2014 Impediment | Progress Achieved since 2014 |
| <p>16. MOBILE HOMES</p> <p>a. Individuals and families living in mobile home parks are particularly vulnerable to eviction, sometimes being evicted in one day.</p> <p>b. Energy costs for mobile homes are excessive.</p> | <p>a. Eviction law is beyond the authority of KHC to remedy within the confines of its programs and services.</p> <p>b. KHC’s Weatherization Assistance Program serves people in mobile homes. Program eligibility is based on income at or below 200% of the poverty level. Approximately 40% of the homes addressed in the program statewide are mobile homes. KHC weatherized the following number of mobile homes: FY2017 – 265, FY2018 – 208, FY2019 – 204.</p> |

| 2014 Impediment | Progress Achieved since 2014 |
|--|---|
| <p>17. LGBT</p> <p>a. Except for those communities which have passed fairness ordinances and for housing funded by HUD, the LGBT community has no legal protection from discrimination in housing access or evictions.</p> | <p>KHC has adopted the protections afforded under the HUD Equal Access Rule and requires any partner applying for KHC funding to adhere to them, whether they originate from HUD or from some other source. KHC reviews documentation from its partners to ensure that they prohibit the denial of access to housing based on actual or perceived sexual orientation, gender identity, or marital status.</p> <p>KHC will continue to support efforts to expand the protected classes, including LGBTQ+ persons, at the State level.</p> |
| 2014 Impediment | Progress Achieved since 2014 |
| <p>18. ELDERLY</p> <p>a. There has been little to no work done on helping aging Kentuckians age-in-place in their homes.</p> <p>b. Kentucky's lack of sufficient accessible housing will only get worse in time, as Kentucky's population ages.</p> | <p>a./b. To encourage aging in place design features in multifamily senior housing, KHC has included a scoring preference for applicants requesting funding who include such features in its competitive applications.</p> <p>Additionally, KHC utilizes a Universal Design construction standard. This standard incorporates features such as wider doorways and hallways, lower thresholds, shorter reach ranges, blocking for grab bars, lever faucets and doors. By making these features inherent to the construction, it allows people stay in their homes (single family and rental units) when mobility issues force the use of a wheelchair.</p> <p>In 2019, KHC funding resulted in:</p> <ul style="list-style-type: none"> - 353 newly created units for the elderly - 179 rehabilitated units for the elderly - 130 units created/adapted with ADA standards - 130 units created/adapted to be fully accessible |

| 2014 Impediment | Progress Achieved since 2014 |
|---|---|
| <p>19. INDIVIDUALS WITH DISABILITIES</p> <p>a. There is insufficient accessible housing for full time residential use by individuals with disabilities.</p> <p>b. There is insufficient “visitable” housing to permit individuals with disabilities to visit others.</p> <p>c. After Olmstead, individuals with disabilities are being released at an increasing rate into communities, with those communities being unprepared and having insufficient and/or inadequate housing to meet the need. As a result, individuals with disabilities are being segregated into certain neighborhoods.</p> <p>d. New housing construction must be built according to the design and construction requirements of the Fair Housing Act, and the building permit process must ensure that accessibility requirements are met.</p> <p>e. Lack of “visitability” features in homes results in increased social isolation: individuals with disabilities find it difficult to access homes or certain areas of the homes for social calls, and those residing in non-visitable homes find it</p> | <p>a./b. To encourage accessibility for individuals with disabilities, KHC has included a scoring preference in its competitive application for properties proposing to serve disabled tenants where at least 10% of the units will be fully accessible. KHC’s minimum design guidelines for both multifamily and single-family units also address certain features relevant to individuals with disabilities. In 2019, KHC multifamily funding resulted in:</p> <p style="padding-left: 40px;">130 units created/adapted with ADA standards 130 units created/adapted to be fully accessible</p> <p>c. With respect to Olmstead, KHC staff strive to achieve optimal outcomes for participants. KHC conducts housing quality standards inspections to ensure adequacy of housing for individuals participating in the program.</p> <p>d. KHC’s Multifamily Guidelines require submission prior to construction of an “Architect’s Certification of Compliance with Design Requirements for Accessible Housing” form and a signed G704 (Certificate of Substantial Completion) from the project architect at the completion of a project that certifies that the project was built in accordance with the contract documents.</p> <p>e. All units created under KHC’s single-family development program are inspected by KHC to ensure compliance with KHC’s <i>Minimum Design Standards: New Construction of Single-Family Dwelling Units, Minimum Design Standards: Rehabilitation of Single-Family Dwelling Units, and Universal Design Standards</i> (as applicable).</p> |

| | |
|---|--|
| <p>difficult to invite individuals with disabilities when their residences might have staircases at entrances, etc. Visitability is achieved when residences have one zero-step entrance, doors with 32-inch clear passages of space, and one bathroom on the main floor which is wheelchair accessible. The visitability problem is one which also impacts the elderly.</p> | |
| <p>2014 Impediment</p> | <p>Progress Achieved since 2014</p> |
| <p>20. DOMESTIC VIOLENCE VICTIMS</p> <p>a. Lack of rental housing in rural areas has a disproportionate impact upon domestic violence victims, who often find they have no safe or available housing alternative to that of living with an abuser.</p> <p>b. Domestic violence victims have the legal ability to be able to be released from rental leases when necessary, but this right is not clear to most in the community.</p> | <p>a./b. KHC has provided funding to Victim Services Providers (VSPs) via Continuum of Care programs supporting transitional and rapid re-housing totaling \$4,108,426 awarded through the Continuum of Care 2016, 2017, and 2018 funding rounds (note: CoC years do not align with fiscal years). KHC has funded VSPs using Emergency Solutions Grants (ESG) funds totaling \$2,424,752 in KHC fiscal Years 2017, 2018, and 2019, which can support shelter operations, homelessness prevention, and rapid re-housing. KHC has also provide a total of \$546,089 in HOME Tenant-Based Rental Assistance (TBRA) funding in KHC fiscal Years 2017, 2018, and 2019 to VSPs.</p> <p>KHC’s multi-family development program has also supported the new construction of 12 permanent supportive housing units in Hazard, KY for survivors of domestic violence that were occupied in November 2019.</p> <p>DLG has funded two domestic violence shelters in recent history: one in McCracken County and one in Hardin County.</p> |

| 2014 Impediment | Progress Achieved since 2014 |
|--|---|
| <p>21. IMMIGRANTS</p> <p>a. Refugees face inadequate housing options.</p> <p>b. Some landlords have established rental policies on their face which are neutral but have a disparate impact upon a particular protected class. For example, some prohibit certain cookware which is most often used by Latinos.</p> | <p>a./b. KHC’s Multicultural Customer Service and Outreach Coordinator (MCSOC) coordinates marketing, outreach, and engagement activities for multicultural populations. Additionally, the MCSOC has developed strategic partnerships with counseling agencies to further improve their outreach and engagement activities with emphasis on identifying community stakeholders, community organizations, churches, and local government participation with the objectives to increase referrals, visibility, outreach as well as leveraging KHC’s network of homeownership stakeholders to reach out to potential homebuyers in communities such as minority, the underserved, and the Limited English Proficiency community. The MCSOC worked directly with the housing counseling network to provide classes in other languages throughout the grant period and to provide technical guidance on how to leverage language-expertise in the community.</p> <p>See Appendix B for attached lists detailing events, attendees, and additional information, and a sampling of event flyers, agendas/speakers, and sign-in sheets for such events.</p> |
| 2014 Impediment | Progress Achieved since 2014 |
| <p>22. FAMILIES WITH CHILDREN</p> <p>a. Inadequate housing exists for families with children, and appears to have been reduced over the past twenty years.</p> | <p>KHC has included scoring preferences in order to improve the livability and preservation of Kentucky’s aging multifamily affordable housing stock. KHC offers incentives in its competitive application along with a funding preference in its Tax-Exempt Bond Notice of Funding Application for applicants proposing the rehabilitation of existing affordable housing properties which have rental assistance contracts. The competitive application also offers a scoring preference for properties most in need of rehabilitation and for new construction properties located in greatest job growth counties and with access to strong performing schools.</p> <p>In 2019, KHC funding supported new construction of 628 units for families with children and 412 rehabilitated/preserved units. See the following chart for a breakdown by county and school district.</p> |

| County | School District | # of Units | Type |
|------------------|--------------------------------------|------------|------------------|
| Allen County | Allen County Public Schools | 36 | Rehab |
| Barren County | Glasgow Independent Schools | 40 | New Construction |
| Boone County | Boone County Public Schools | 48 | New Construction |
| Boyd County | Ashland Independent Schools | 64 | Rehab |
| Casey County | Casey County Public Schools | 50 | Rehab |
| Edmonson County | Edmonson County Public Schools | 56 | Rehab |
| Elliott County | Elliott County Public Schools | 64 | Rehab |
| Fayette County | Fayette County Public Schools | 96 | New Construction |
| Grant County | Grant County Public Schools | 28 | Rehab |
| Greenup County | Greenup County Public Schools | 47 | Rehab |
| Henderson County | Henderson County Public Schools | 49 | New Construction |
| Hopkins County | Hopkins County Public Schools | 52 | New Construction |
| Jefferson County | Jefferson County Public Schools | 185 | New Construction |
| Jefferson County | Jefferson County Public Schools | 51 | Rehab |
| Kenton County | Erlanger-Elsmere Independent Schools | 50 | New Construction |
| Madison County | Madison County Public Schools | 30 | New Construction |
| Shelby County | Shelby County Public Schools | 37 | New Construction |
| Trigg County | Trigg County Public Schools | 41 | New Construction |
| Warren County | Bowling Green Independent Schools | 16 | Rehab |
| Total | | 1,040 | |

| 2014 Impediment | Progress Achieved since 2014 |
|---|---|
| <p>23. RURAL</p> <p>a. Rural areas have an acute shortage of homeless shelters, with many rural counties having no such shelter.</p> | <p>Over the past two HUD Continuum of Care Program Competitions, the Kentucky Balance of State CoC, which includes all rural areas of the state, pursued and was awarded funding for 4 new Joint Transitional Housing (TH)/Rapid Rehousing (RRH) projects. The TH portion of the project is intended to provide crisis housing in areas without existing emergency shelter or without low-barrier emergency shelters. Through the HUD Youth Homelessness Demonstration Program (YHDP), rural communities in Southeastern Kentucky are in the process of developing “Crisis Host Homes” where families agree to serve as “hosts” to young people experiencing homelessness by allowing the young person to live with them at least on a temporary basis. Limited financial support for food and transportation is provided to the Host Home. We hope to be able to replicate this model across the state in the future.</p> <p>As of October 2019, KHC has four joint transitional housing/rapid rehousing projects operating. However, two of them just started in October 2019 and have not yet started serving clients. Of those not yet serving clients, one project will serve both households with children and households with only adults from the general homeless population. The other targets victims of domestic violence.</p> <p>Of the two projects serving clients as of October 2019, one project is targeting families with children and one serves both families with children and households with only adults.</p> <p>The transitional housing portion of the projects operate as “crisis housing” (e.g., emergency shelter). As of October 2019 (projects started within past 12 months), 20 people have been served.</p> <p>Under the Youth Homelessness Demonstration Program (YHDP), KHC now has one facility-based transitional housing project that is serving as “crisis housing/emergency shelter” for unaccompanied youth ages 18-24 and one project has leased two houses that operate as emergency shelter for 18-24 year olds. As of October 2019, 72 people have been served (65 youth 18-25 and 7 children of the youth) since these projects became operational at the end of 2018.</p> |

| 2014 Impediment | Progress Achieved since 2014 |
|---|--|
| <p>24. PUBLIC CULTURE</p> <p>a. Renting, and therefore renters, are not well regarded in our culture.</p> <p>b. Across Kentucky, there is a lack of awareness of the housing problems faced by many Kentuckians, particularly those in protected classes.</p> <p>c. Often minorities and protected classes feel unwelcome in communities.</p> <p>d. Our elected executive officials often do not place sufficient emphasis upon affordable and fair housing.</p> <p>e. Many Section 8 recipients are turned away by landlords.</p> | <p>a./b./c./d./e. KHC curated a “Simply Home” exhibit to showcase the faces of affordable housing and how affordable housing creates good neighbors. Organizations serving partner and public audiences may request this exhibit for showings in an accessible place by the public. Civic organizations, libraries, museums, and other places that can accommodate the floor space for the 24-foot by 34-foot exhibit and consider the 4-foot accessibility for compliance with American Disabilities Act are great showcases for the exhibit. KHC staff will deliver and set up the exhibit onsite, free of charge, as a service to the Commonwealth. This educational effort serves in part to reduce resistance to affordable housing.</p> <p>KHC’s Multicultural Customer Service and Outreach Coordinator (MCSOC) coordinates marketing, outreach, and engagement activities for multicultural populations to provide education and make them feel welcome.</p> <p>KHC staff also took advantage of the opportunity afforded by NCSHA’s Legislative Conference to emphasize affordable housing issues to legislators. Activities during this time included direct meetings with several Kentucky legislators, including Senators Mitch McConnell and Rand Paul, Congressmen Brett Guthrie, Andy Barr, and John Yarmuth. In addition, KHC staff conducted personal meetings with Senator Joe Manchin of West Virginia and Representative Trey Hollingsworth of Indiana. These meetings are in addition to several meetings with legislators at home in Kentucky.</p> |
| 2014 Impediment | Progress Achieved since 2014 |
| <p>25. EDUCATION</p> <p>a. Education for homeownership and renters’ rights often remains available only in English.</p> | <p>KHC maintains a Spanish webpage, where Spanish speakers can locate information regarding KHC, its programs, and fair housing information (kyhousing.org/Espanol). Additionally, KHC has on staff a Multicultural Customer Service and Outreach Coordinator who speaks Spanish, French, and Kreyol. Under its Language Access Plan, KHC commits to make reasonable efforts to provide free language assistance to the requesting client using a four-factor analysis test. See Appendix B for attached lists detailing events, attendees, and additional information, and a sampling of event flyers, agendas/speakers, and sign-in sheets for such events.</p> |

Summary of Progress

KHC and DLG have made significant progress on most of the impediments and recommendations from the 2014 AI; however, several impediments and recommendations are beyond the jurisdiction of the two agencies. Many of the impediments identified in the 2014 AI remain impediments in 2019 simply because they are socio-economic challenges they have occurred over the course of decades and, therefore, cannot be resolved in five years. Indeed, many of the impediments will be carried forward in the 2019 AI with recommendations that focus on progress that both KHC and DLG can achieve within the limits of their respective agency missions and resources.

4. Demographic and Housing Summary

Introduction

This section of the Analysis of Impediments to Fair Housing Choice (AI) analyzes the demographic and housing characteristics of the Commonwealth of Kentucky, focusing on members of the protected classes. The federal Fair Housing Act protects the following characteristics: race, color, religion, sex, national origin, familial status and disability status. The Kentucky General Assembly broadened the law to also protect against housing discrimination on the basis of gender. As of December 2019, discrimination based on sexual orientation is also forbidden in Bellevue, Covington, Danville, Dayton, Frankfort, Georgetown, Henderson, Highland Heights, Lexington, Louisville, Maysville, Midway, Morehead, Paducah, Versailles, and Vicco. On February 3, 2012, the U.S. Department of Housing and Urban Development (HUD) issued a final rule that prohibits discrimination on the basis of actual or perceived sexual orientation, gender identity, or marital status in regard to housing programs assisted by HUD or subject to a mortgage insured by the Federal Housing Administration. Kentucky Housing Corporation (KHC) follows this rule.

The data utilized in the AI is primarily from the United States Census Bureau, which publishes the American Community Survey (ACS); at the time of publication, the most recent five-year estimates were for 2013-2017.

Key Conclusions

The key conclusions drawn from the demographic and housing summary include the following:

- While Kentucky has had positive growth rates since 2010, the rate has not been keeping pace with the national average. Between 2010 and 2017, Kentucky's growth was 2.0% while the national average was 5.0%.
- Kentucky has become more diverse between 2000 and 2017 with the largest increases occurring among multi-racial and Hispanic persons, and outside of the largest urban areas.
- Lexington is home to a large foreign-born population with nearly all census tracts having above the statewide median rates of foreign-born persons.

- Persons with disabilities participate in the labor market at lower rates than those without disabilities and are more likely to be unemployed (14.6% versus 6.1%) or to earn less money (\$20,239 versus \$30,306).
- Overall, there has been a decrease in the number of single-parent households. The number of single-female parent households have declined while the number of single-male parent households has increased. The largest gains in household type are non-family households (34.1%) and specifically single-person households at 28.4%.
- Nearly half (49.5%) of female-headed households with children live in poverty compared to 27.5% of male-headed households with children and 9.6% of married couples with children.
- Between 2010 and 2017, incomes have declined or stagnated for all racial/ethnic groups except multi-racial and Other Race¹. However, Multi-racial and Other Race persons had household incomes of \$38,877 and \$37,325, respectively, in 2017 which are significantly lower than the state median household income.
- Black households are much more likely to be unemployed than other racial groups. When the statewide unemployment rate was 6.8%, unemployment among Blacks was 11.4%.
- By 2017, the statewide homeownership rate decreased slightly by 1.7 percentage points to 67.0%. While White homeownership rates decreased by 1.6 percentage points (70.4%), Black homeownership rates decreased by 2.7 percentage points (36.7%). Hispanic households had no change in homeownership rates (35.5%).
- Non-White households tend to be larger than White households and are in the rental market at higher rates. Only 18% of units in the rental market in 2017 had three or more bedrooms.
- Between 2010 and 2017, the inflation-adjusted median household income statewide was stagnant and median housing value fell slightly. In contrast, median gross rent rose nearly 6% across Kentucky.
- Overall, the level of segregation among non-White/White persons has decreased between 2010 and 2017 as measured by the dissimilarity index. However, increased segregation has occurred in the more urbanized areas.

¹ Other Race includes American Indian, Alaska Native, Native Hawaiian and Pacific Islander. These races were grouped together for this analysis given their small populations within Kentucky.

- There are 24 census tracts in the Commonwealth that have both non-White populations that are ten percentage points higher than the statewide average and poverty rates that are at least 40%; these are the racially/ethnically concentrated areas of poverty (R/ECAPs) and are located primarily in the more metropolitan areas.

Populations Trends

Population of Kentucky and the United States since 2000

The population has been growing with a 7.4% increase from 2000 to 2010, which slowed to a growth rate of 2.0% between 2010 and 2017. During these same time periods, the national population growth rates were 9.7% from 2000 to 2010 and 5.0% from 2010 to 2017.

Table 1 Kentucky Population, 2000 - 2017

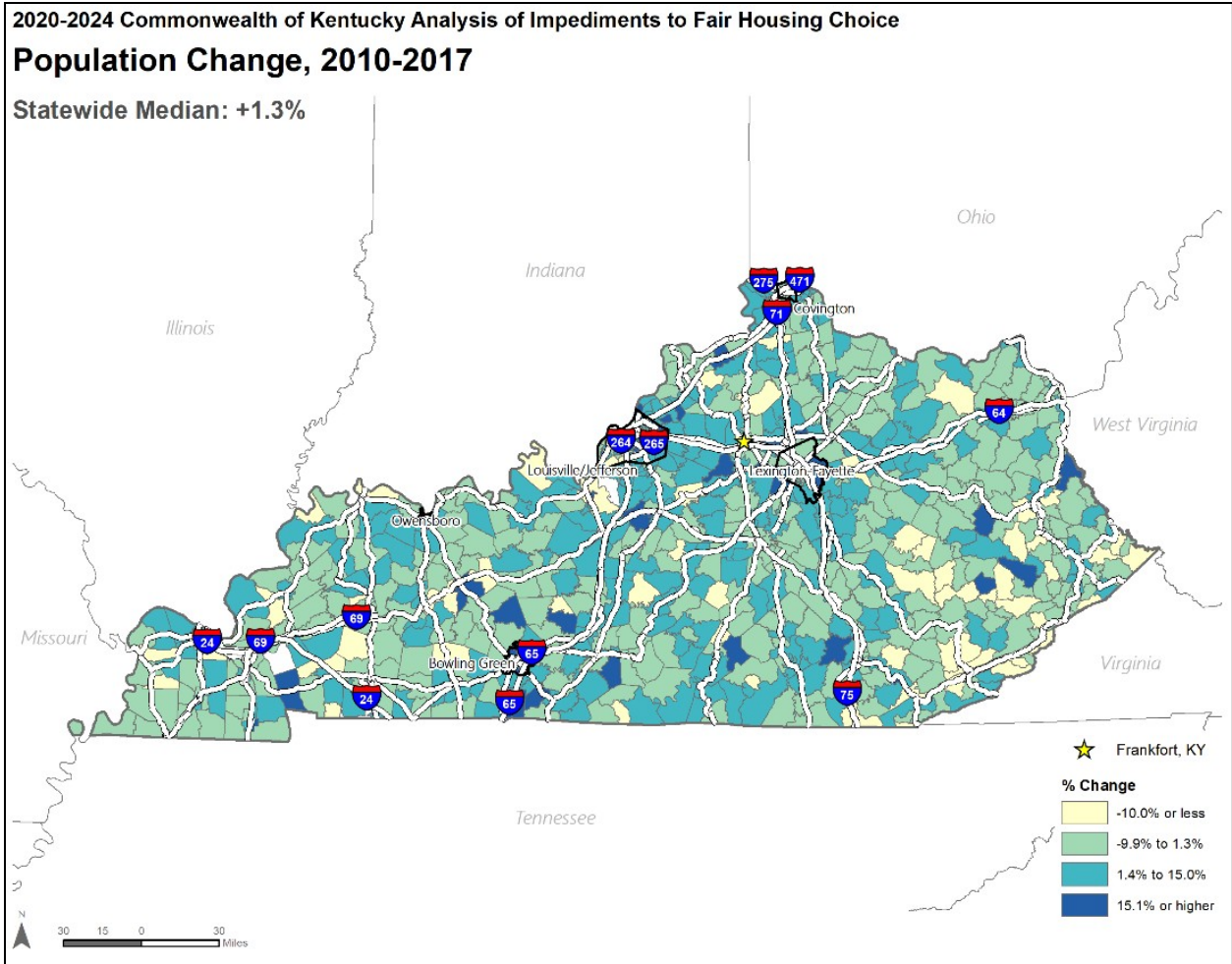
| Year | Total Population | Change |
|------|------------------|--------|
| 2000 | 4,041,769 | - |
| 2010 | 4,339,367 | 7.4% |
| 2017 | 4,424,376 | 2.0% |

Source: U.S. Decennial Census, 2000-2010; American Community Survey five-year estimates 2017

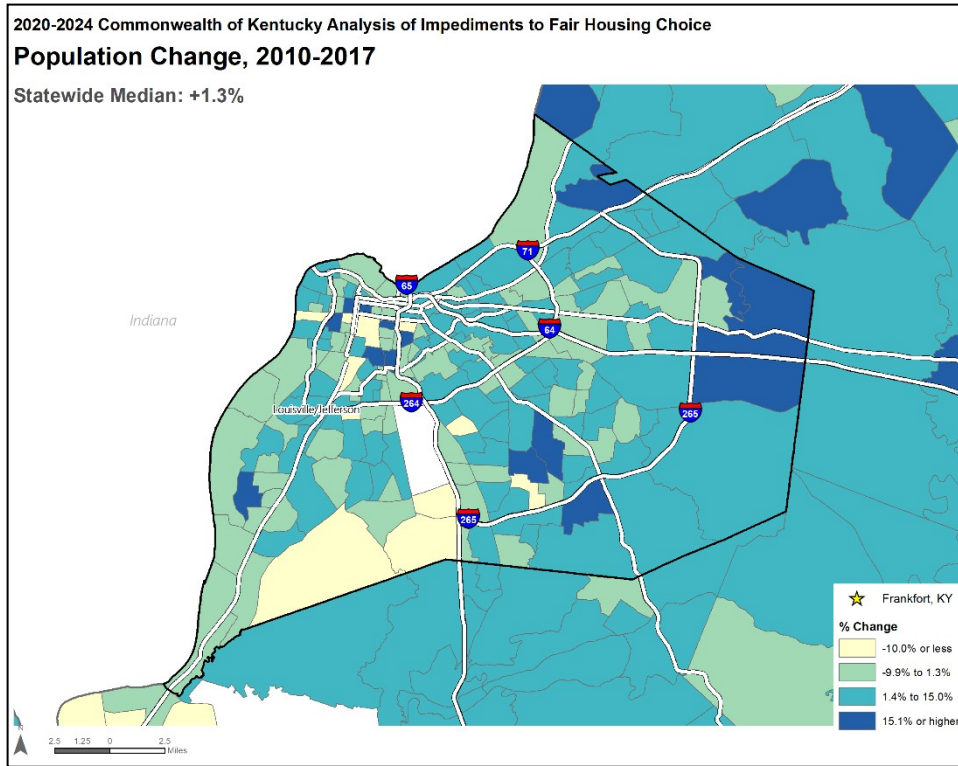
Geographic variation in population growth from 2010 to 2017

Among all census tracts, the median population growth rate from 2010 to 2017 was 1.3%. Areas with growth rates above the median were located primarily in the central portions of the state; areas with growth rates below the median generally were in the easternmost areas toward Virginia and West Virginia. Not all areas with the largest increases in population were in major metropolitan areas such as Lexington and Louisville.

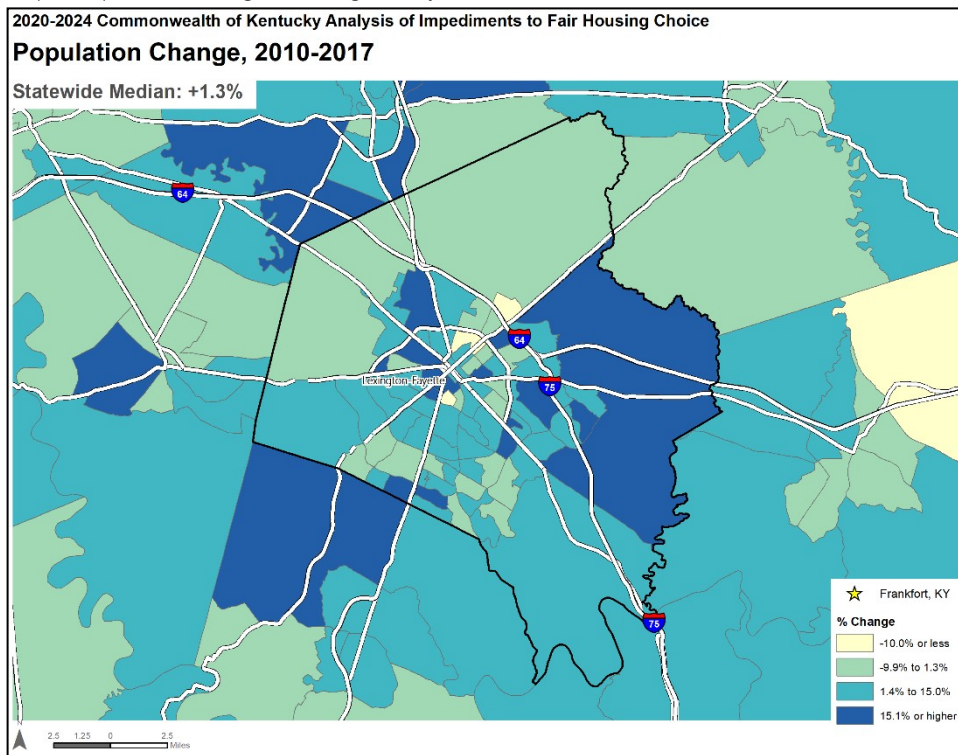
Large areas of both Louisville and Lexington have had population growth. In Louisville, there has been growth throughout the city, but greatest growth has primarily been toward the east; in Lexington, growth has been largest in the southern half of the Lexington-Fayette area.



Map 2 Population Change in Louisville/Jefferson County, 2010-2017



Map 3 Population Change in Lexington-Fayette, 2010-2017



Race and Ethnicity

The racial and ethnic composition of Kentucky has become more diverse between 2010 and 2017. The non-White population of the Commonwealth increased slightly from 11.1% to 11.9% between 2010 and 2017; the proportion of the population that identifies as Hispanic increased from 3.2% to 3.6%.

The growth rates of each racial/ethnic group have not been uniform between 2000 and 2017. While the overall population grew by just under 10% from 2000 to 2017, the number of Hispanic, multi-racial and Asian persons have all doubled.

Table 2 Kentucky, Race and Ethnicity, 2010 - 2017

| | 2000 | 2010 | 2017 | Percent Change 2000-2017 |
|--------------|-----------|-----------|-----------|--------------------------|
| White | 3,608,013 | 3,745,655 | 3,764,473 | 4% |
| Black | 293,639 | 337,520 | 348,472 | 19% |
| Asian | 29,368 | 48,338 | 59,254 | 102% |
| Multi-Racial | 37,750 | 64,113 | 85,000 | 125% |
| Other | 13,060 | 15,350 | 15,105 | 16% |
| Hispanic | 59,939 | 132,836 | 152,072 | 154% |

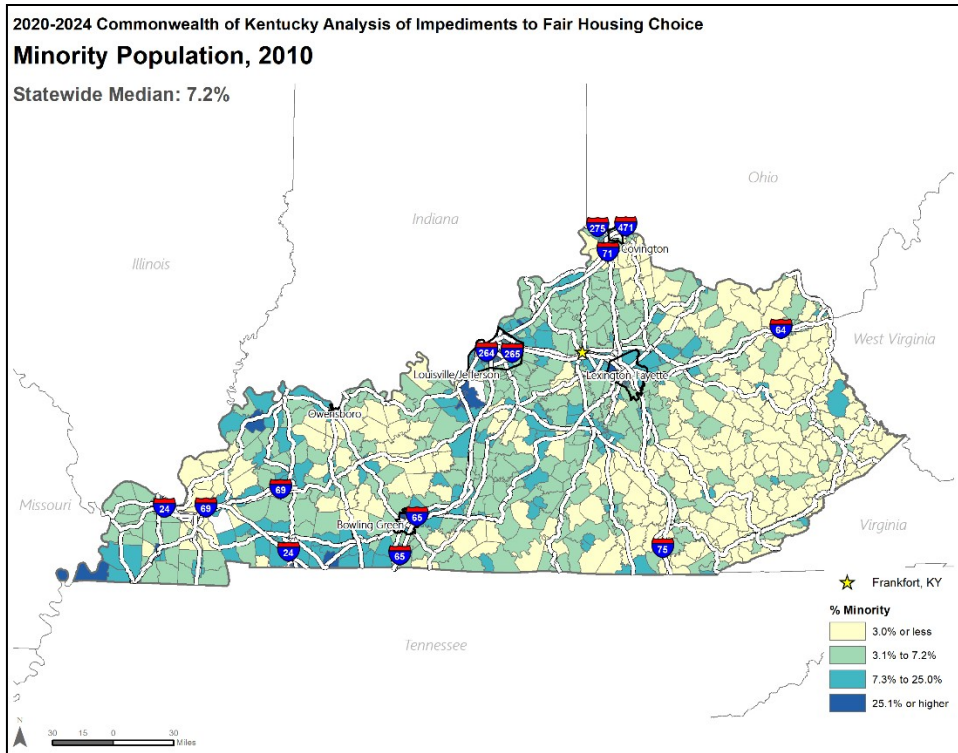
Source: American Community Survey five-year estimates 2017

Geographic variation in race and ethnicity

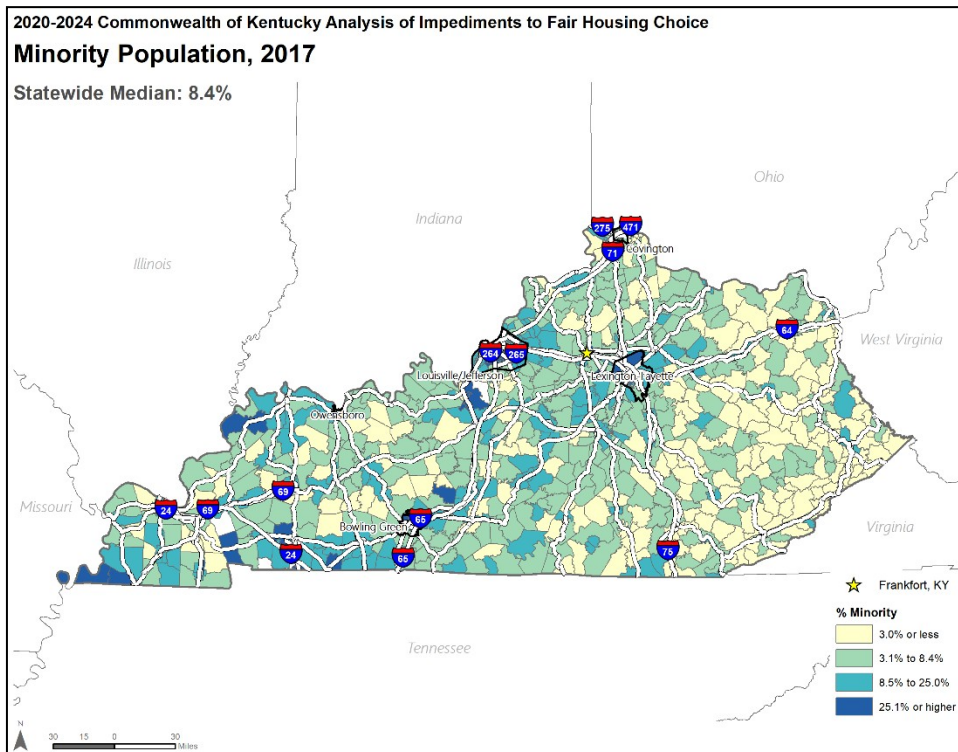
The following four maps illustrate the residency patterns of non-White and Hispanic residents in 2010 and 2017. The first two maps show that the non-Hispanic minority population has been and remains primarily in the more populated centers of the Commonwealth with few non-White persons in the east toward West Virginia and Virginia. However, even in these rural eastern areas the population is diversifying.

The last two maps illustrate the residency patterns of the Hispanic population. In 2010, Hispanics represented 3.2% of the population, growing only slightly to 3.6% by 2017. In 2010, Hispanic persons tended to live in the western part of Kentucky. By 2017, there was a slight increase in the Hispanic population living in the east, though in the western part of the Commonwealth there was movement toward urban centers by Hispanic persons.

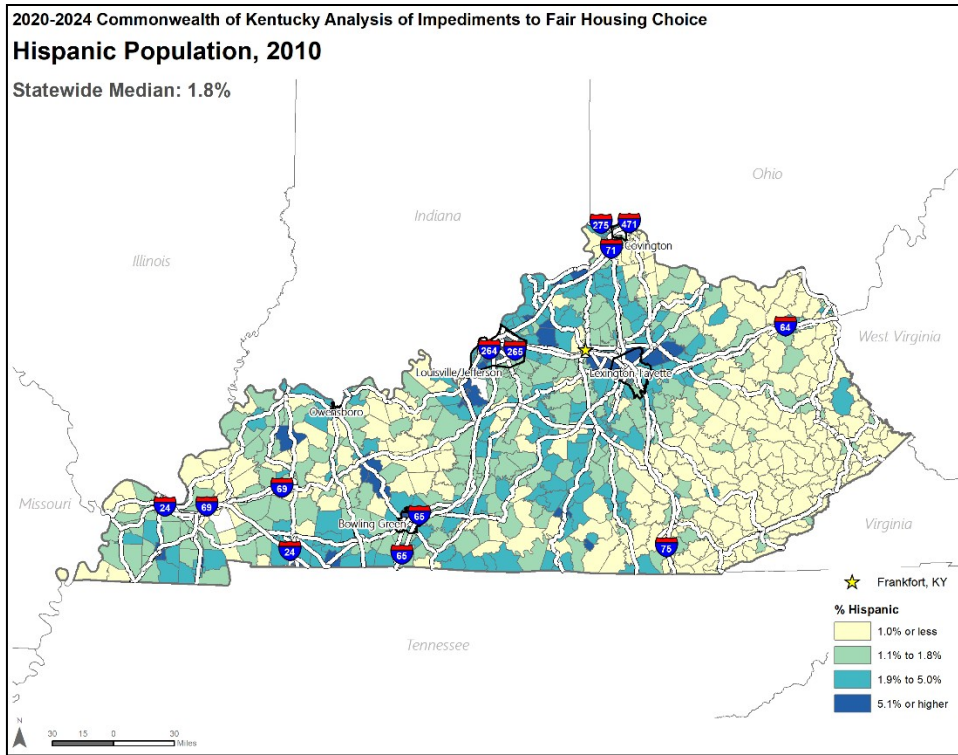
Map 4 Non-White Residency Patterns, 2010



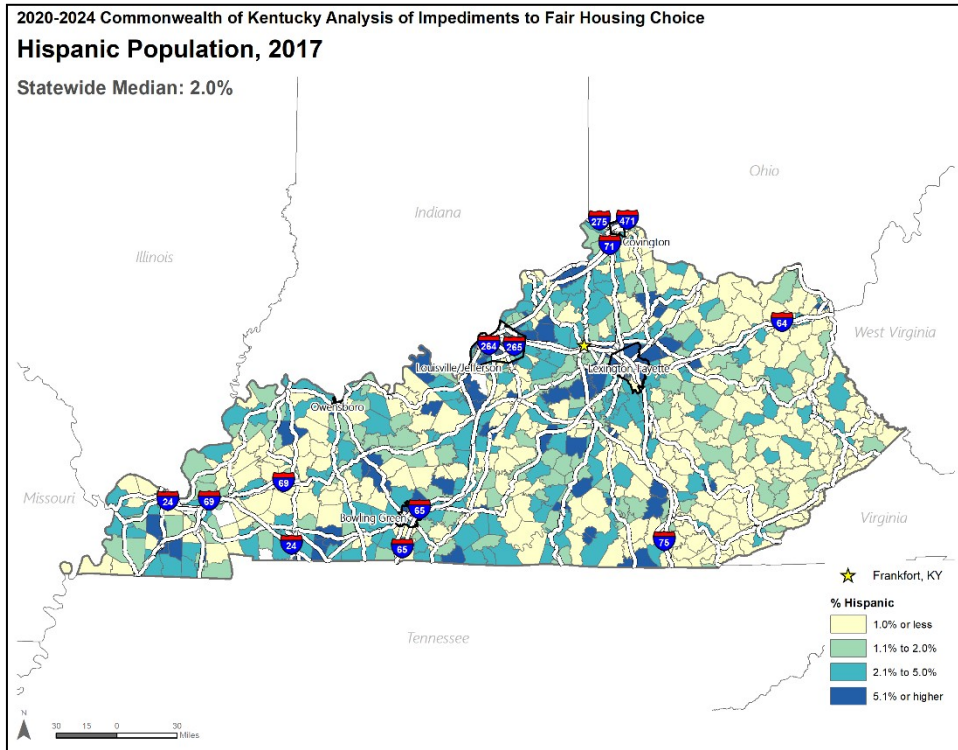
Map 5 Non-White Residency Patterns, 2017



Map 6 Hispanic Residency Patterns, 2010



Map 7 Hispanic Residency Patterns, 2017



Ancestry and National Origin

Foreign-born persons

It is illegal to refuse the right to housing based on place of birth or ancestry. Across Kentucky, 3.6% of all residents were foreign-born. This rate was much higher in Louisville (7.1%) and Lexington (9.1%). Children living in homes where at least one parent is foreign-born were significantly more likely to be living in poverty. In Kentucky overall, children with at least one foreign-born parent is three times more likely to live in poverty than children with two native-born parents. In Louisville and Lexington, children with at least one foreign-born parent are more than seven and six times, respectively, as likely to be in poverty as children with only native-born parents.

Table 3 Foreign-born Population and Poverty Status of Households with Children, 2017

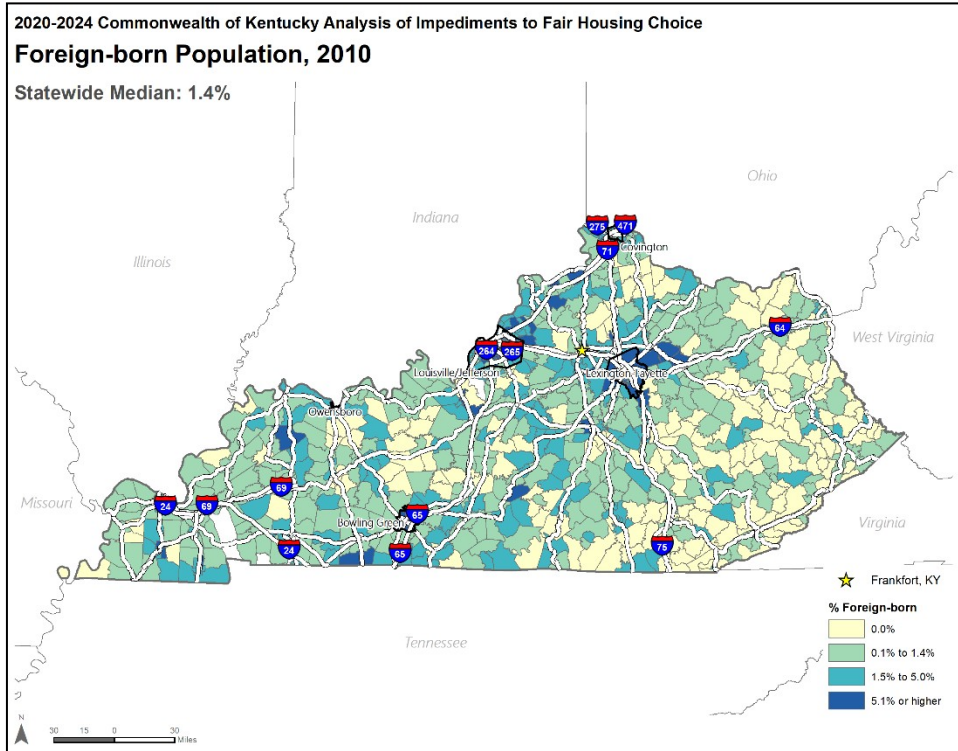
| | Percent Foreign-born of the population | Percent households in poverty with children and two native parents | Percent households in poverty with children and at least one foreign-born parent |
|-----------------------------|--|--|--|
| Kentucky | 3.6% | 6.9% | 22.7% |
| Louisville/Jefferson County | 7.1% | 3.0% | 21.6% |
| Lexington-Fayette | 9.1% | 2.4% | 18.5% |

Source: American Community Survey five-year estimates 2017

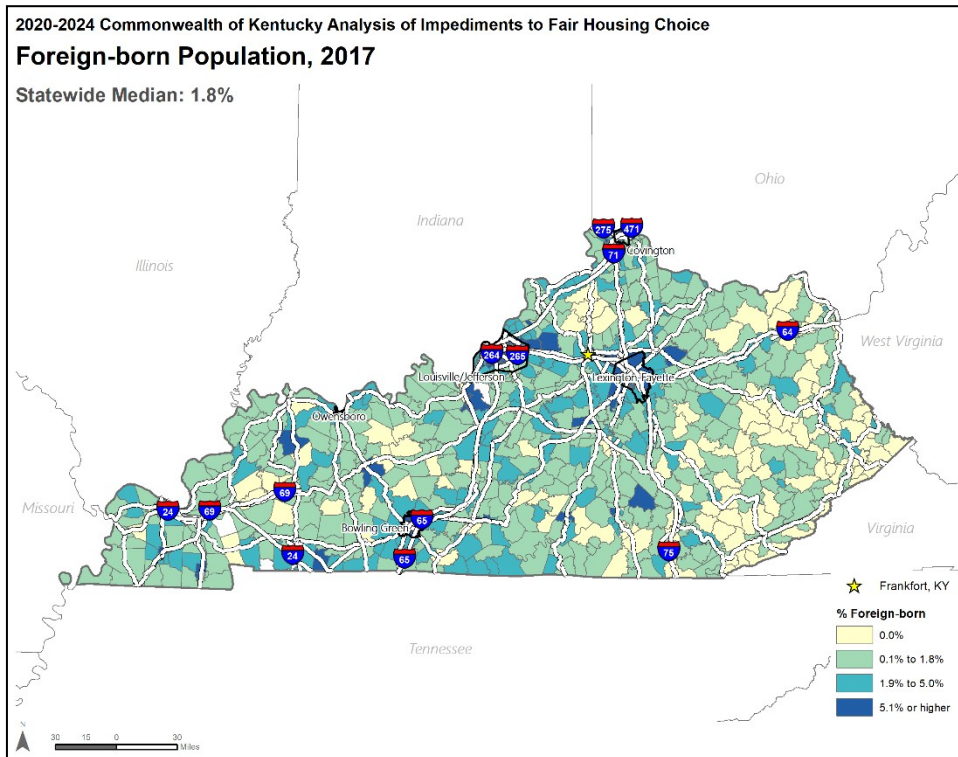
Residency patterns of foreign-born population

In both 2010 and 2017, the foreign-born population primarily resided in the more urban areas of the Commonwealth. In Louisville, the foreign-born population was primarily between Interstates 64 and 265 in 2010 but has since expanded beyond those boundaries. In the Lexington area, there is a large foreign-born population with nearly all census tracts exceeding the statewide median of 1.8%.

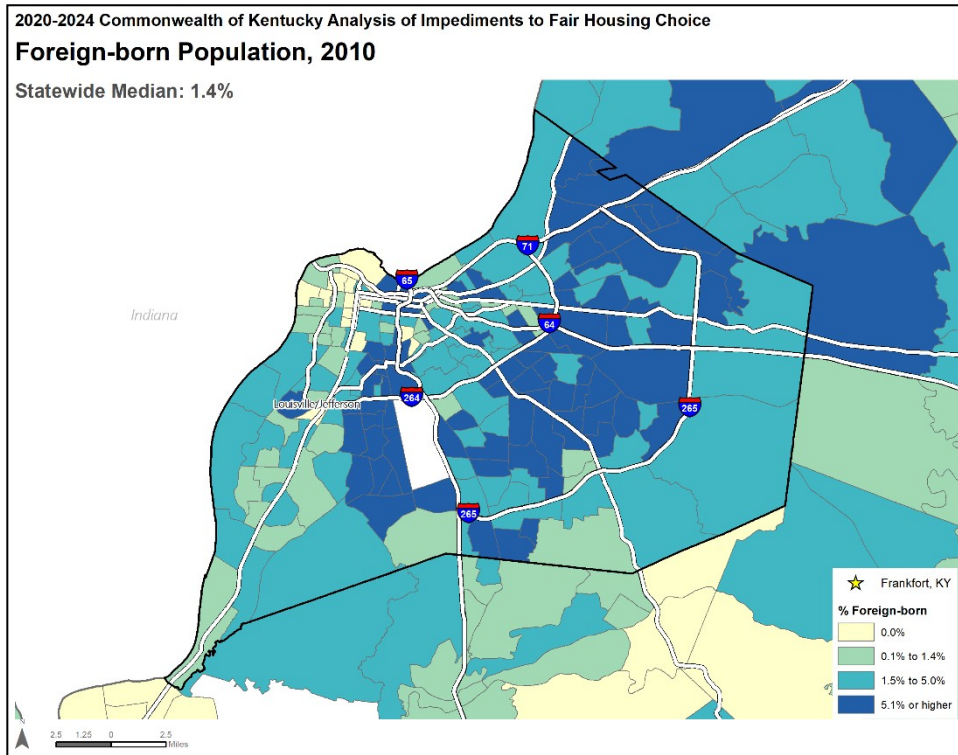
Map 8 Residency Patterns of Foreign-born Population, 2010



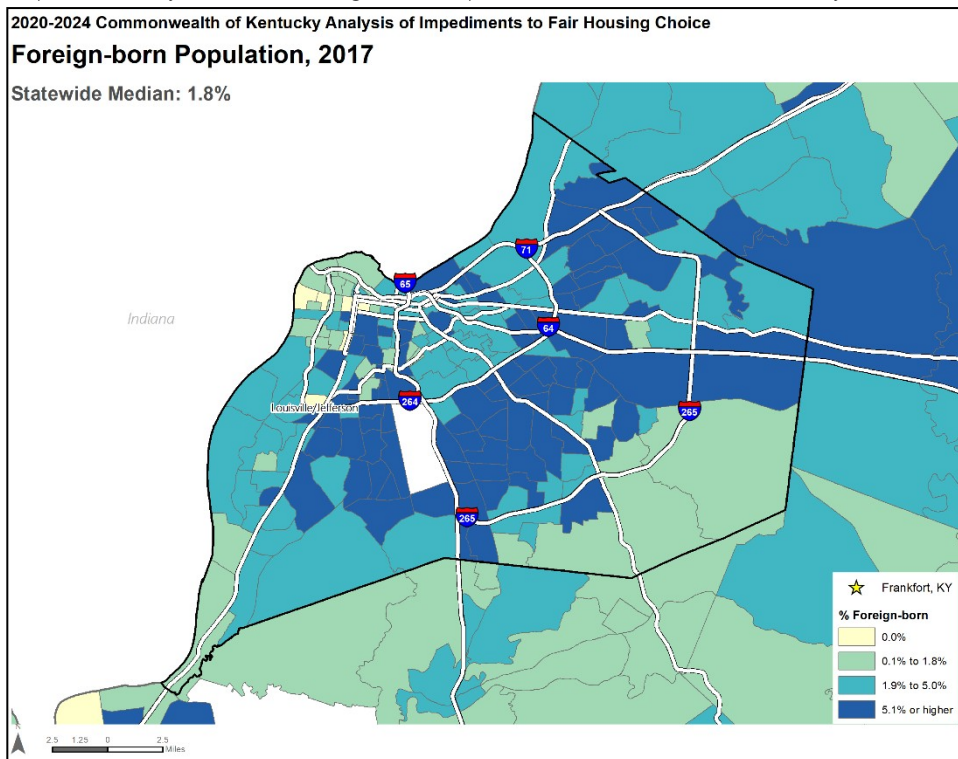
Map 9 Residency Patterns of Foreign-born Population, 2017



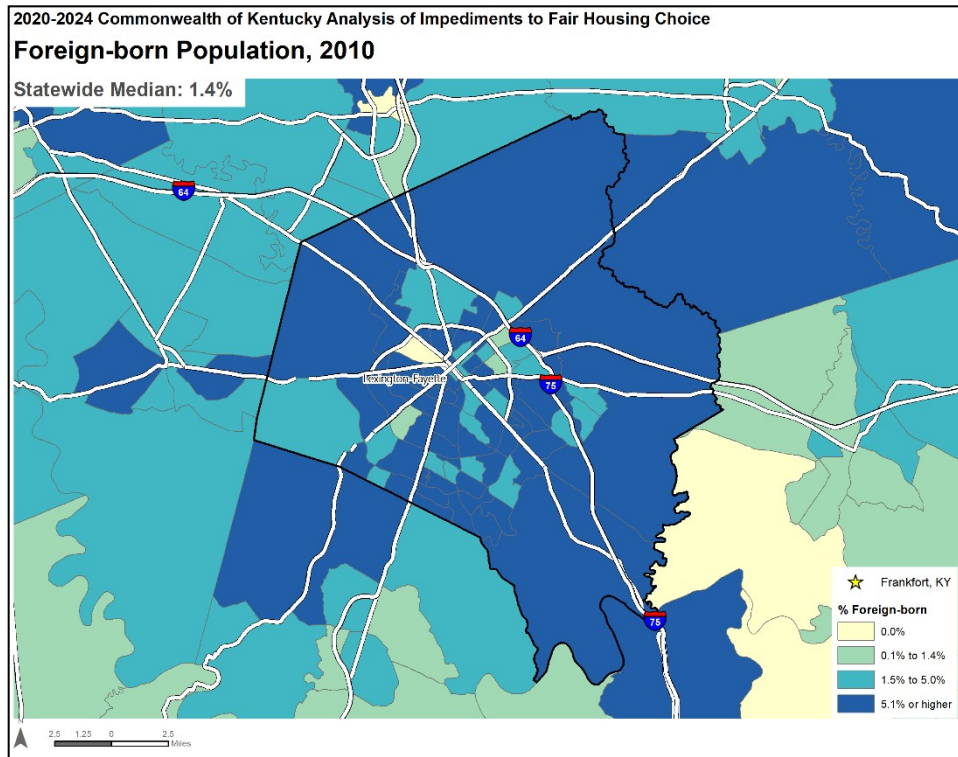
Map 10 Residency Patterns of Foreign-born Population in Louisville/Jefferson County, 2010



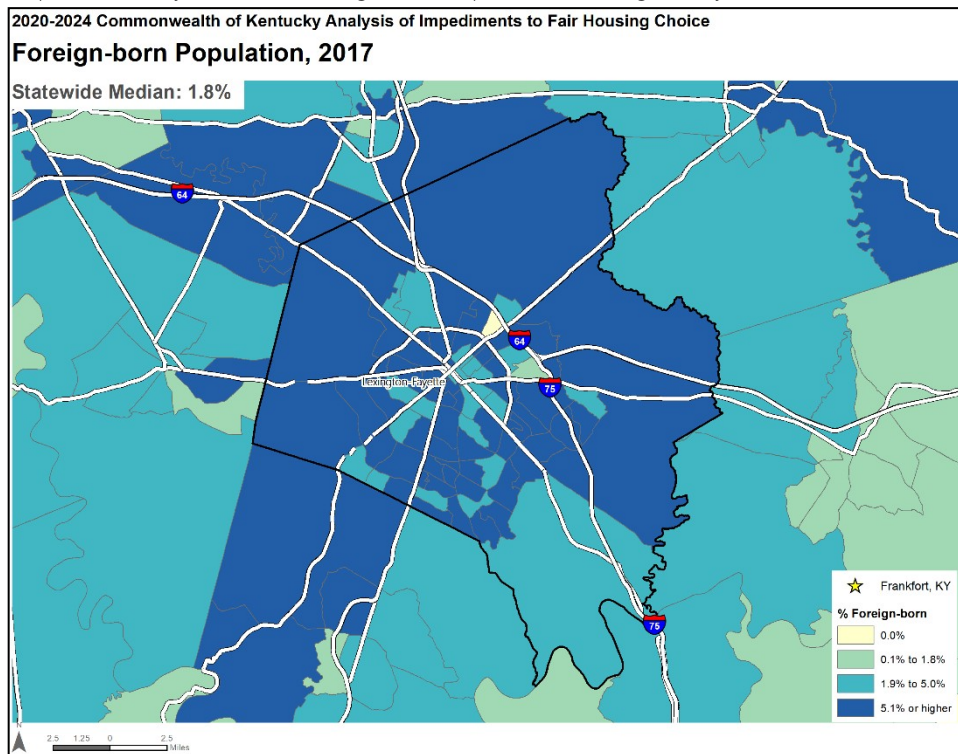
Map 11 Residency Patterns of Foreign-born Population in Louisville/Jefferson County, 2017



Map 12 Residency Patterns of Foreign-born Population in Lexington-Fayette, 2010



Map 13 Residency Patterns of Foreign-born Population in Lexington-Fayette, 2017



Limited English Proficiency (LEP)

Persons with limited English proficiency (LEP) are defined as persons who have a limited ability to read, write, speak or understand English. HUD uses the prevalence of persons with LEP to identify the potential for impediments to fair housing choice due to their inability to comprehend English. Persons with LEP may encounter obstacles to fair housing by virtue of language and cultural barriers within their new environment. To assist these individuals, it is important that a community recognizes their presence and the potential for discrimination, whether intentional or inadvertent, and establishes policies to eliminate barriers. It is also incumbent upon HUD entitlement communities to determine the need for language assistance and comply with Title VI of the Civil Rights Act of 1964.

The most recent data available for the Commonwealth as a whole is 2013-2017 ACS; the most recent census tract level data is from 2015. The largest LEP language group throughout the Commonwealth is Spanish, which is spoken by 48,214 persons or 1.16% of the population. The second largest group of persons with LEP speak Chinese, which is spoken by 3,760 persons or 0.09% of the population. Persons with LEP tend to live in the western part of Kentucky and near populated urban areas.

Table 4 Most Common Languages Spoken Among Those with Limited English Proficiency in Kentucky, 2017

| Kentucky | | | |
|------------------|--|--------|-------|
| | | # | % |
| #1 LEP Language | Spanish | 48,214 | 1.16% |
| #2 LEP Language | Chinese (incl. Mandarin, Cantonese) | 3,760 | 0.09% |
| #3 LEP Language | Arabic | 3,563 | 0.09% |
| #4 LEP Language | Vietnamese | 2,876 | 0.07% |
| #5 LEP Language | German | 2,687 | 0.06% |
| #6 LEP Language | Nepali, Marathi, or other Indic languages | 2,533 | 0.06% |
| #7 LEP Language | Amharic, Somali, or other Afro-Asiatic languages | 2,340 | 0.06% |
| #8 LEP Language | Other languages of Asia | 2,252 | 0.05% |
| #9 LEP Language | French (incl. Cajun) | 2,200 | 0.05% |
| #10 LEP Language | Japanese | 2,158 | 0.05% |

Source: American Community Survey five-year estimates 2017

Table 5 Most Common Languages Spoken Among Those with Limited English Proficiency in Jefferson County, 2015

| | Jefferson County | | |
|------------------|------------------------------|--------|-------|
| | | # | % |
| #1 LEP Language | Spanish | 13,002 | 1.84% |
| #2 LEP Language | African | 2,233 | 0.32% |
| #3 LEP Language | Arabic | 1,175 | 0.17% |
| #4 LEP Language | Other Asian languages | 1,055 | 0.15% |
| #5 LEP Language | Vietnamese | 998 | 0.14% |
| #6 LEP Language | Chinese | 959 | 0.14% |
| #7 LEP Language | Serbo-Croatian | 943 | 0.13% |
| #8 LEP Language | Other Indic languages | 797 | 0.11% |
| #9 LEP Language | French (incl. Patois, Cajun) | 601 | 0.09% |
| #10 LEP Language | Russian | 555 | 0.08% |

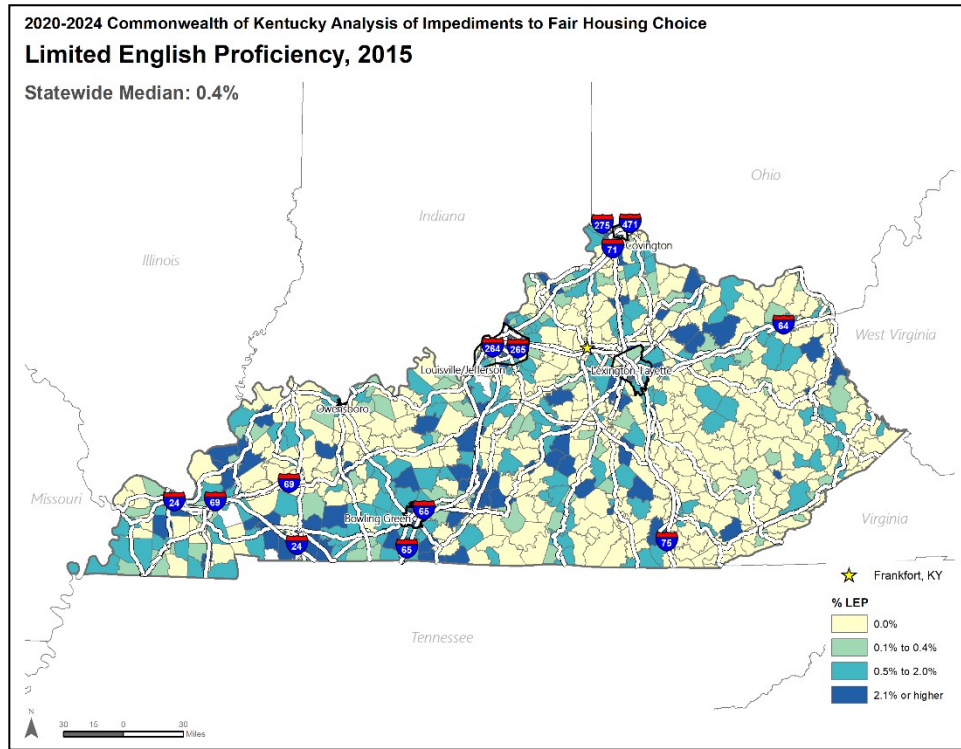
Source: American Community Survey five-year estimates, 2015

Table 6 Most Common Languages Spoken Among Those with Limited English Proficiency in Fayette County, 2015

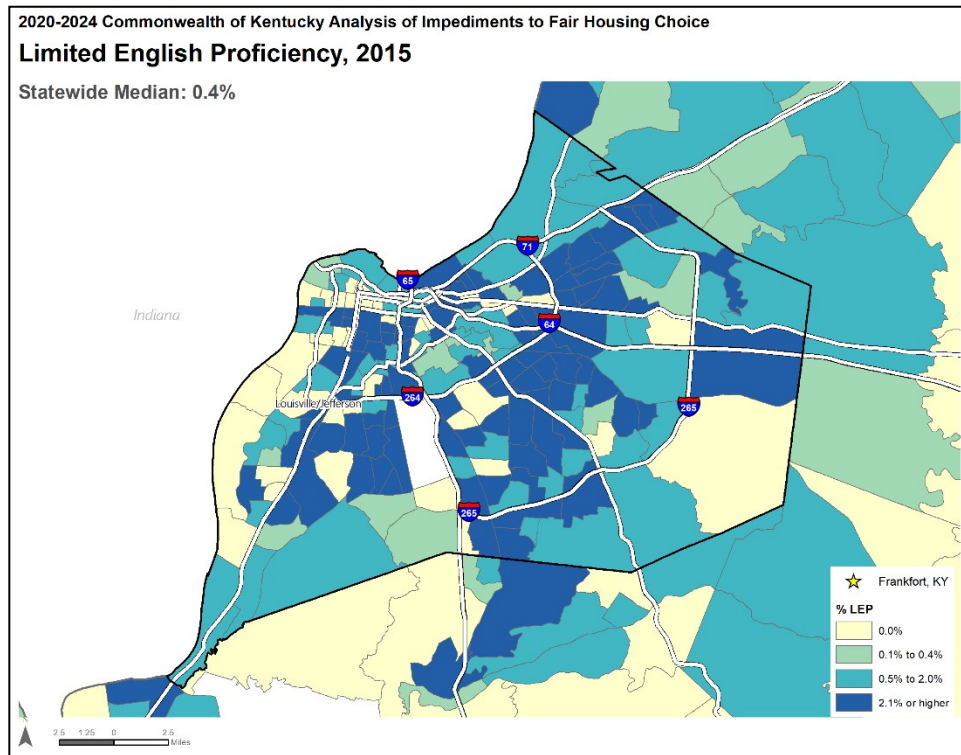
| | Fayette County | | |
|------------------|-----------------------|-------|-------|
| | | # | % |
| #1 LEP Language | Spanish | 8,970 | 3.11% |
| #2 LEP Language | Chinese | 1,797 | 0.62% |
| #3 LEP Language | Arabic | 723 | 0.25% |
| #4 LEP Language | Japanese | 688 | 0.24% |
| #5 LEP Language | Other Indic languages | 481 | 0.17% |
| #6 LEP Language | African | 425 | 0.15% |
| #7 LEP Language | Korean | 395 | 0.14% |
| #8 LEP Language | Vietnamese | 360 | 0.12% |
| #9 LEP Language | Other Asian languages | 290 | 0.10% |
| #10 LEP Language | Russian | 237 | 0.08% |

Source: American Community Survey five-year estimates, 2015

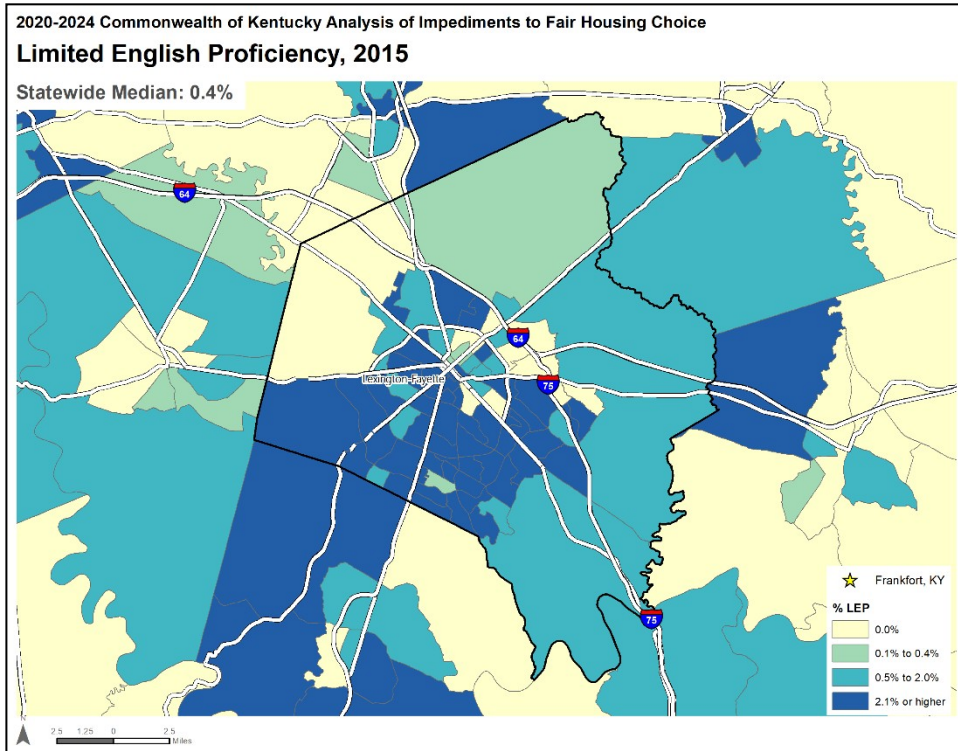
Map 14 Residency Patterns of Persons with LEP, 2017



Map 15 Residency Patterns of Persons with LEP, Louisville/Jefferson County, 2017



Map 16 Residency Patterns of Persons with LEP, Lexington-Fayette, 2017



Disability

As defined by the Census Bureau, a disability is a long-lasting physical, mental, or emotional condition that can make it difficult for a person to engage in activities such as walking, climbing stairs, dressing, bathing, learning or remembering. This condition can also impede a person from being able to go outside the home alone or to work at a job or business.

The Fair Housing Act prohibits discrimination based on physical, mental, or emotional disability, provided “reasonable accommodation” can be made. This may include changes to address the needs of persons with disabilities, such as adaptive structural changes (e.g., constructing an entrance ramp) or administrative changes (e.g., permitting the use of a service animal). In 2017, 17.3% of the population had at least one disability. The most common type of disability among those aged 18 and older is ambulatory while cognitive difficulties are the most common among minors.

Table 7 Kentucky Disability Status and Disability Type by Age, 2017

| | Number of People | Percentage of the Total Population | Percentage of the Population Subset by Age |
|------------------|------------------|------------------------------------|--|
| Persons | 751,563 | 17.3% | 17.3% |
| Under 5 years | 2,748 | 0.06% | 1.0% |
| Age 5-17 | 52,626 | 1.21% | 7.1% |
| Age 18-64 | 425,520 | 9.80% | 15.9% |
| Age 65 and Above | 270,669 | 6.24% | 41.7% |

| | Total | Percent |
|---------------------------------------|-----------|---------|
| Total Population | 4,340,343 | 100.0% |
| With a disability | 751,563 | 17.3% |
| With a hearing difficulty | 210,345 | 28.0% |
| With a vision difficulty | 146,033 | 19.4% |
| With a cognitive difficulty | 295,399 | 39.3% |
| With an ambulatory difficulty | 417,846 | 55.6% |
| With a self-care difficulty | 144,614 | 19.2% |
| With an independent living difficulty | 152,043 | 20.2% |
| Population Under 18 Years | 1,010,223 | 23.3% |
| With a disability | 55,374 | 1.3% |
| With a hearing difficulty | 7,177 | 13.0% |
| With a vision difficulty | 10,094 | 18.2% |
| With a cognitive difficulty | 41,187 | 74.4% |
| With an ambulatory difficulty | 5,617 | 10.1% |
| With a self-care difficulty | 8,902 | 16.1% |
| With an independent living difficulty | - | - |
| Population 18 to 64 Years | 2,680,290 | 72.6% |
| With a disability | 425,520 | 9.8% |
| With a hearing difficulty | 85,269 | 20.0% |
| With a vision difficulty | 81,837 | 19.2% |
| With a cognitive difficulty | 185,793 | 43.7% |
| With an ambulatory difficulty | 235,319 | 55.3% |
| With a self-care difficulty | 76,169 | 17.9% |
| With an independent living difficulty | 152,043 | 35.7% |
| Population 65 years and Older | 649,830 | 9.8% |
| With a disability | 270,669 | 6.2% |
| With a hearing difficulty | 117,899 | 43.6% |
| With a vision difficulty | 54,102 | 20.0% |
| With a cognitive difficulty | 68,419 | 25.3% |
| With an ambulatory difficulty | 176,910 | 65.4% |
| With a self-care difficulty | 59,543 | 22.0% |
| With an independent living difficulty | 112,110 | 41.4% |

Source: American Community Survey five-year estimates 2017

Income and disability status

Among the population between the ages of 20 to 64, there are significant differences in labor force participation rates among those with and without a disability; 33.6% of persons with a disability participate in the labor force compared to 81.3% of persons without a disability. Among persons in the labor force with one or more disabilities, 17.7% of persons are living in poverty compared to 9.8% of persons without a disability. The median income for the persons with a disability was \$20,239 compared to \$30,306 for a person without a disability. Even in the absence of discrimination, persons with disabilities often experience greater obstacles in securing affordable housing that is accessible due to the potential for lower wages and rates of employment.

Table 8 Disability Status, Labor Force Participation and Poverty, 2017

| | # | % |
|----------------------|-----------|-------|
| Total Population | 2,560,063 | |
| With a disability | 415,698 | 16.2% |
| In labor Force | 139,655 | 33.6% |
| In poverty | 24,721 | 17.7% |
| Not in Labor Force | 276,043 | 66.4% |
| In poverty | 114,815 | 41.6% |
| Without a disability | 2,144,365 | 83.8% |
| In labor Force | 1,742,486 | 81.3% |
| In poverty | 170,123 | 9.8% |
| Not in Labor Force | 401,879 | 18.7% |
| In poverty | 135,131 | 33.6% |

Source: American Community Survey five-year estimates, 2017

Families with Children

The Census Bureau divides households into family and non-family households. Family households are married couple families with or without children, single-parent families, and other families made up of related persons. Non-family households are either single persons living alone, or two or more non-related persons living together.

Title VIII of the Civil Rights Act of 1968 protects against gender discrimination in housing. Protection for families with children was added in the 1988 amendments to Title VIII. Except in limited circumstances

involving elderly housing and owner-occupied buildings of one to four units, it is unlawful to refuse to rent or sell to families with children.

In 2017, family households comprised 65.9% of all households, down slightly from 66.9% in 2010. The number of married-couple families in Kentucky has also declined slightly to 48.6% of all households. This change in composition can be attributed to faster rates of growth among non-family households.

Between 2010 and 2017, female-headed households with children decreased 1.2% to 12.5% of all households. Male-headed households increased 0.6% but only represent 4.8% of all households. Non-family and one-person households increased by 3.1% since 2010 and comprise 34.1% of households.

Table 9 Kentucky Household Composition, 2010 - 2017

| | 2010 | | 2017 | | Change from 2010 - 2017 | |
|-----------------------|---------------|----------------|---------------|----------------|-------------------------|----------------|
| | <i>Number</i> | <i>Percent</i> | <i>Number</i> | <i>Percent</i> | <i>Number</i> | <i>Percent</i> |
| Family Households | 1,149,905 | 66.9% | 1,136,917 | 65.9% | -12,988 | -1.1% |
| Married Couples | 848,324 | 49.3% | 837,485 | 48.6% | -10,839 | -1.3% |
| <i>with children</i> | 329,086 | 19.1% | 312,222 | 18.1% | -16,864 | -5.1% |
| Single female | 219,036 | 12.7% | 216,357 | 12.5% | -2,679 | -1.2% |
| Single male | 82,545 | 4.8% | 83,075 | 4.8% | 530 | 0.6% |
| Non-Family Households | 570,060 | 33.1% | 587,597 | 34.1% | 17,537 | 3.1% |
| Living Alone | 473,447 | 27.5% | 489,398 | 28.4% | 15,951 | 3.4% |
| Other Non-Family | 96,613 | 5.6% | 98,199 | 5.7% | 1,586 | 1.6% |
| Total Households | 1,719,965 | 100.0% | 1,724,514 | 100.0% | 4,549 | 0.3% |

Source: American Community Survey five-year estimates, 2017

Female-headed households with children often experience difficulty in obtaining housing as a result of lower incomes and higher expenses such as childcare. In 2017, 49.5% of female-headed households with children were living in poverty compared to 27.5% of male-headed households with children and 9.6% of married-couple households with children.

Table 10 Poverty Status of Households with Children by Household Type, 2017

| Household Types with Children | Total | In Poverty | |
|-------------------------------|---------|------------|-------|
| | | # | % |
| Single Female Headed | 116,581 | 57,676 | 49.5% |
| Single Male Headed | 40,315 | 11,074 | 27.5% |
| Married Couple | 312,222 | 29,959 | 9.6% |

Source: American Community Survey five-year estimates, 2017

Income, Unemployment and Poverty

Household income

Household income is strongly related to housing choice, as household income is one of several factors used to determine eligibility for a home mortgage loan or rental lease. Additionally, lack of income inherently reduces the number of options a household has over where to live.

The 2017 Kentucky median household income was \$45,535, approximately three quarters of the national median of \$61,372. When adjusted for inflation, Kentucky household income decreased by 0.1% between 2010 and 2017. With the exceptions of Multi-racial and Other Race persons - whose incomes increased by 21.3% and 2.1%, respectively - wages have declined or stagnated. However, multi-racial and Other Race persons had household incomes of \$38,877 and \$37,325 in 2017, which are significantly lower than the overall median household income.

Table 11 Kentucky Household Income by Race/Ethnicity, 2010 - 2017

| | Household Income | | Percent Change 2010-2017 |
|--------------|--------------------------------|----------|-----------------------------|
| | 2010 <i>(adj to 2017\$)</i> | 2017 | |
| White | \$47,986 | \$48,228 | 0.5% |
| Black | \$32,169 | \$32,160 | 0.0% |
| Asian | \$66,903 | \$61,730 | -7.7% |
| Multi-racial | \$32,042 | \$38,877 | 21.3% |
| Other Race | \$36,553 | \$37,325 | 2.1% |
| Hispanic | \$38,796 | \$38,267 | -1.4% |
| Overall | \$46,565 | \$46,535 | -0.1% |

Source: American Community Survey five-year estimates 2017

Unemployment rates by race

Per the 2013-2017 American Community Survey, the 2017 statewide unemployment rate was 6.8%. With an unemployment rate of 7.1%, males were slightly more likely than females to be unemployed. The unemployment rate for Whites and Asian persons was at 6.3% and 4.6%, respectively, while Black and Hispanic persons had unemployment rates of 11.4% and 7.0%, respectively. The Bureau of Labor Statistics published statistics for 2018 unemployment finding an overall unemployment rate of 4.4% for Kentucky. Among White persons, the rate was lower at 4.1%. Among the Black and Hispanic populations, the unemployment rates were higher at 6.5% and 5.5%, respectively.

Table 12 Unemployment Rates by Sex and Race/Ethnicity, 2017

| | Total Labor Force | Unemployed Individuals | Percent Unemployed |
|---------------------|-------------------|------------------------|--------------------|
| By Sex | | | |
| Male | 1,090,130 | 77,293 | 7.1% |
| Female | 988,737 | 63,424 | 6.4% |
| By Race / Ethnicity | | | |
| White | 1,823,581 | 114,119 | 6.3% |
| Black | 170,500 | 19,400 | 11.4% |
| Asian | 29,935 | 1,387 | 4.6% |
| Hispanic | 69,332 | 4,881 | 7.0% |

Source: American Community Survey five-year estimates 2017

Poverty rates

The poverty rate in Kentucky was 18.3% in 2017 - up from 17.7% in 2010 - and six percentage points higher than the national rate. The only racial groups with below average poverty rates are Whites and Asians. In 2017, the poverty rates among Black and Hispanic persons was 29.2% and 29.5%, respectively. A lack of income severely restricts housing choice. Members of the protected classes by race/ethnicity – Black, Multi-racial, Other, and Hispanic - are disproportionately affected by this issue, as they are far more likely to have lower incomes or live in poverty.

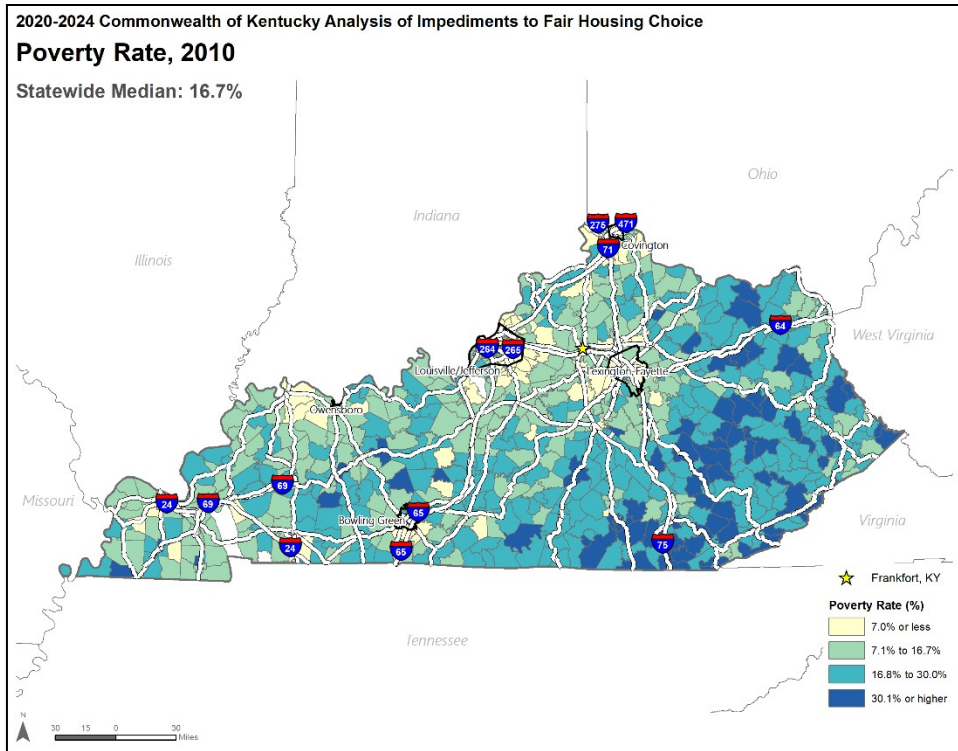
Table 13 Kentucky Poverty Rates by Race, 2010 - 2017

| | 2010 | | | 2017 | | |
|--------------|------------------|------------|--------------|------------------|------------|--------------|
| | Total Households | In Poverty | Poverty Rate | Total Households | In Poverty | Poverty Rate |
| Asian | 44,382 | 5,735 | 12.9% | 58,254 | 9,370 | 16.1% |
| Black | 309,384 | 96,290 | 31.1% | 331,658 | 96,845 | 29.2% |
| White | 3,691,575 | 598,861 | 16.2% | 3,756,503 | 636,627 | 16.9% |
| Multi-racial | 62,424 | 19,675 | 31.5% | 91,598 | 24,962 | 27.3% |
| Other | 49,312 | 15,221 | 30.9% | 49,874 | 15,782 | 31.6% |
| Hispanic | 113,454 | 35,163 | 31.0% | 146,146 | 43,098 | 29.5% |
| Total | 4,157,077 | 735,782 | 17.7% | 4,287,887 | 783,586 | 18.3% |

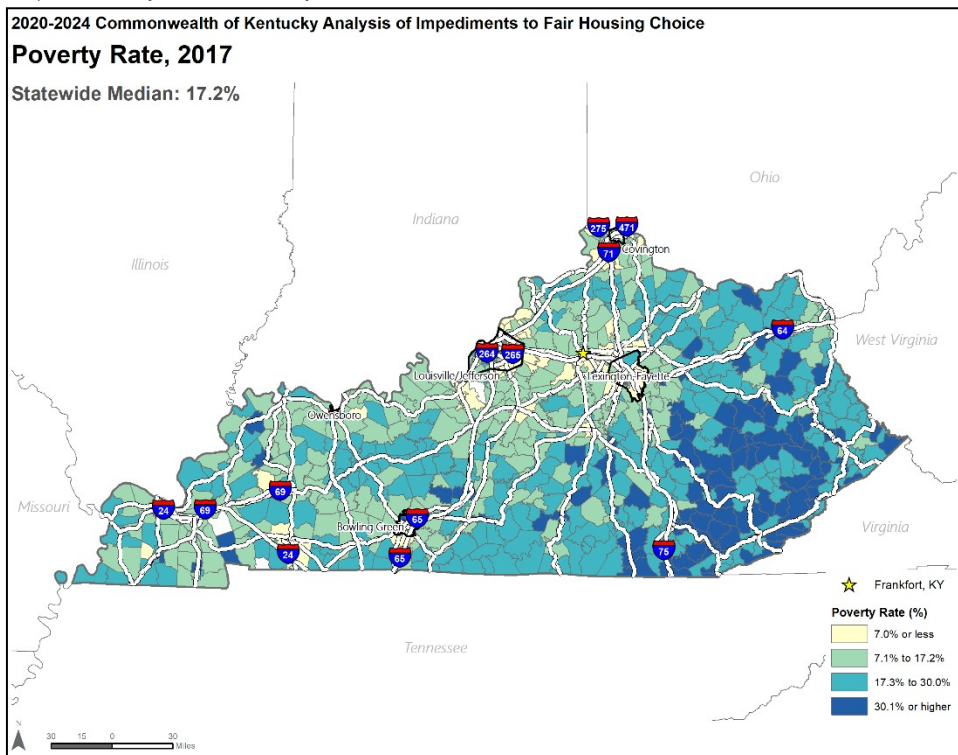
Source: American Community Survey five-year estimates 2017

On the following maps, higher rates of poverty dominate rural eastern Kentucky and the inner-city areas of both Louisville and Lexington.

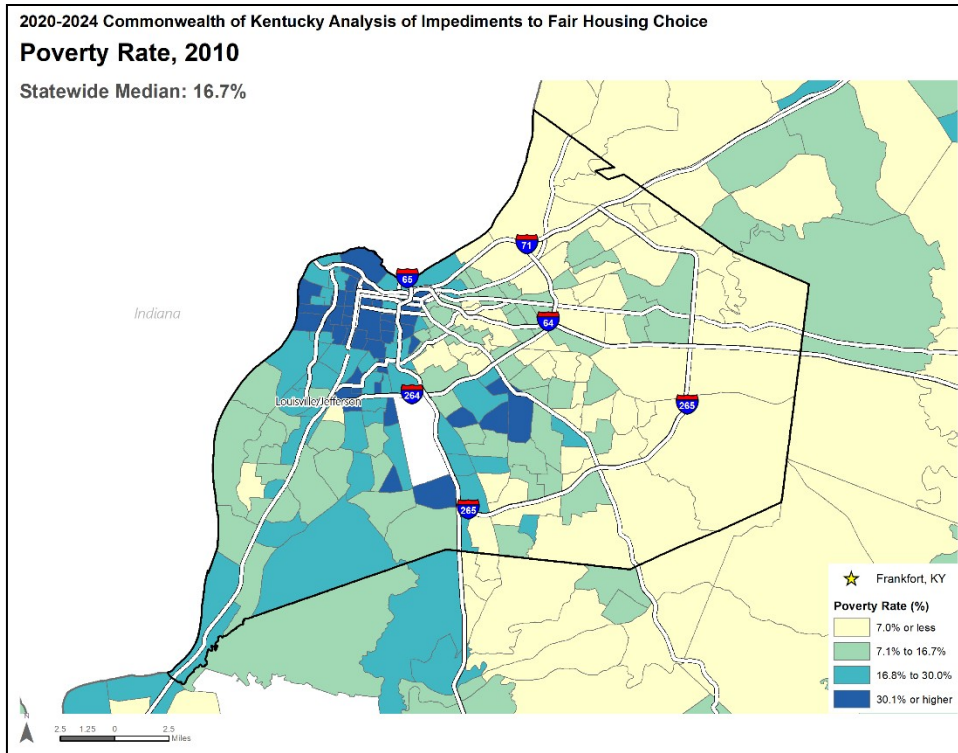
Map 17 Poverty Rates Kentucky, 2010



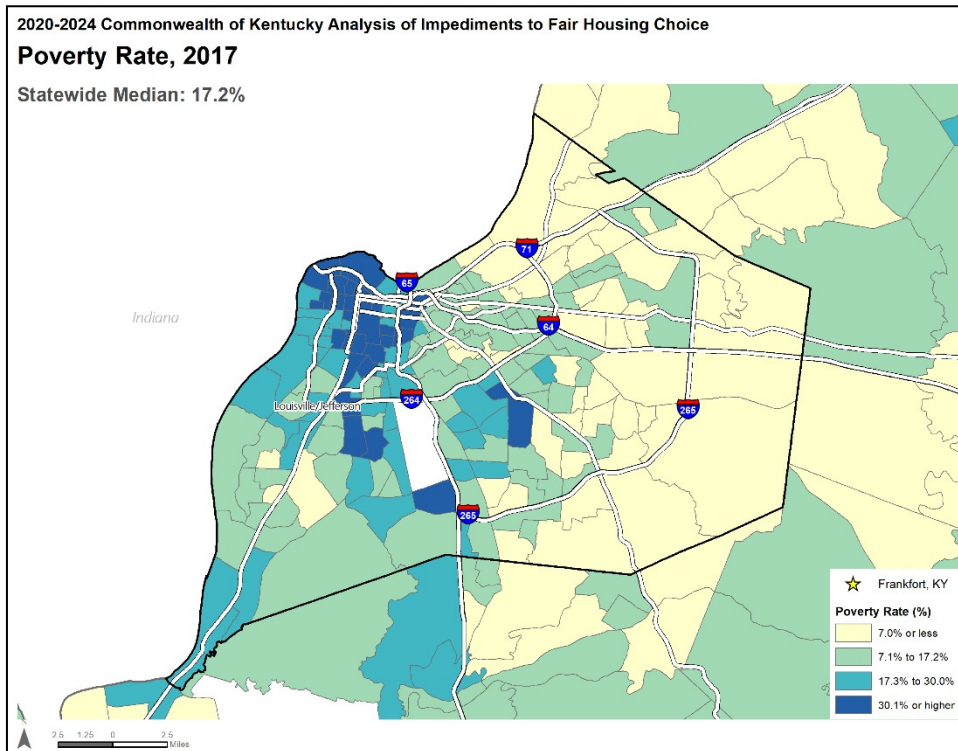
Map 18 Poverty Rates Kentucky, 2017



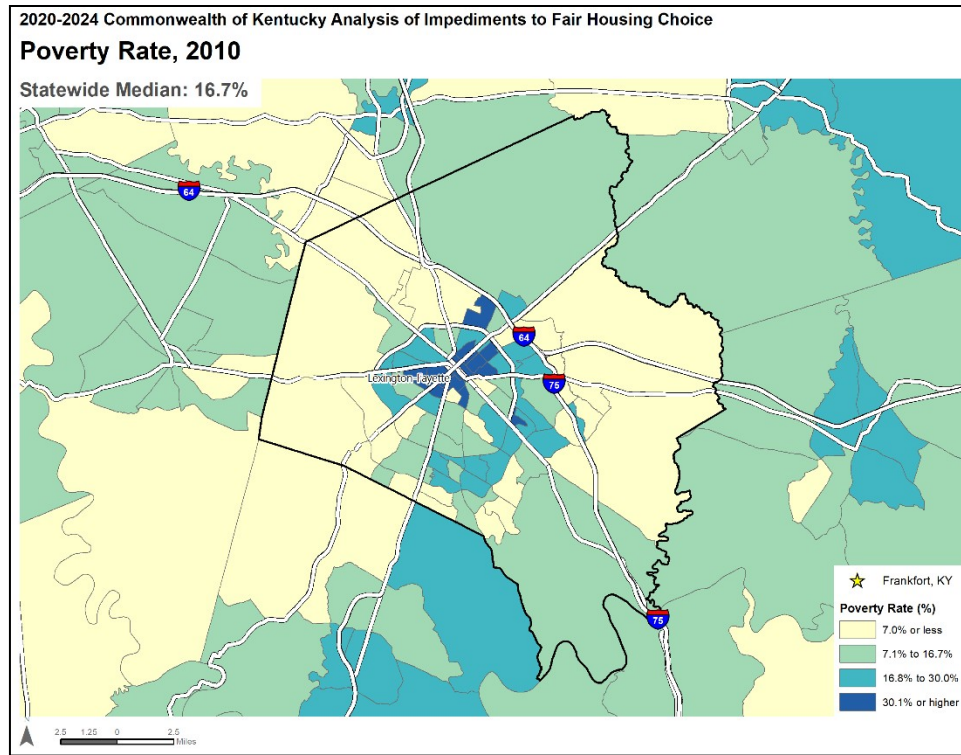
Map 19 Poverty Rates Louisville/Jefferson County, 2010



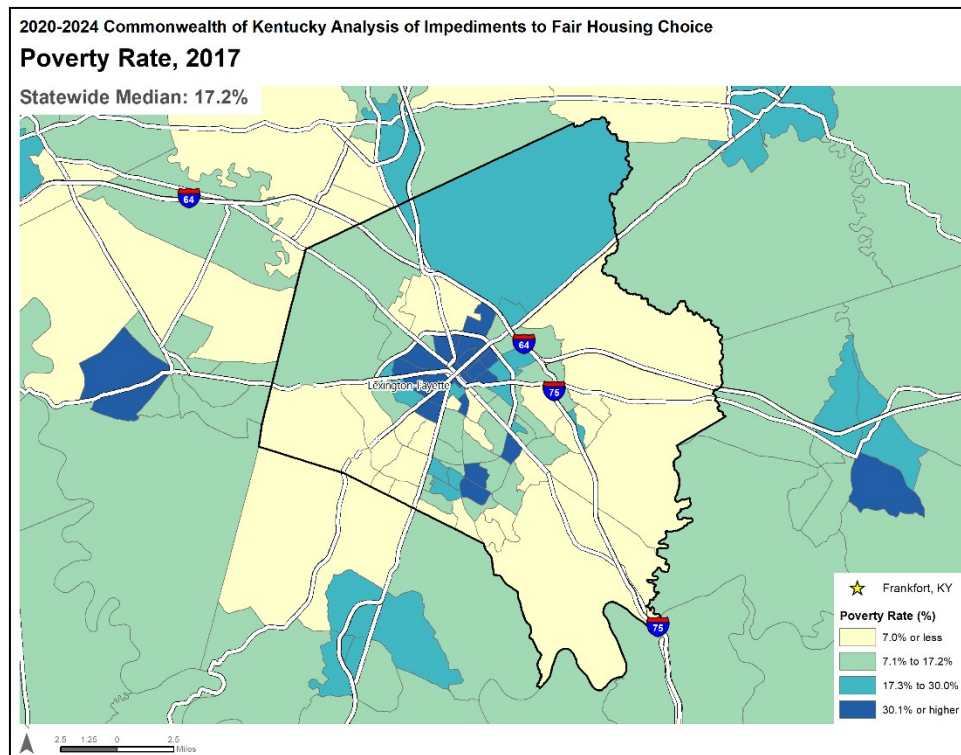
Map 20 Poverty Rates Louisville/Jefferson County, 2017



Map 21 Poverty Rates Lexington-Fayette, 2010



Map 22 Poverty Rates Lexington-Fayette, 2017



Housing Tenure, Household Size and Unit Size

Housing tenure

Although the rental rate increased from 31.3% to 33.0% since 2010, homeownership remains higher across Kentucky than the nation where the rental rate is 36.2%. There are, however, significant variation by race. In 2010, all races except White had renter rates between 50.5% (Asian) and 67.5% (Other races). This pattern was largely unchanged in 2017. White renter rates were below 30% in both 2010 and 2017.

In 2010, homeownership rates among non-Whites were lower than White household rates; while 72.0% of White households were homeowners, 39.4% of Black and 35.5% of Hispanic households owned their homes. By 2017, the statewide homeownership rate decreased slightly by 1.7 percentage points to 67.0%. While White homeownership rates decreased by 1.6 percentage points, Black homeownership rates decreased by 2.7 percentage points. Hispanic households had no change in homeownership rates.

Table 14 Tenure by Race/Ethnicity, 2010 - 2017

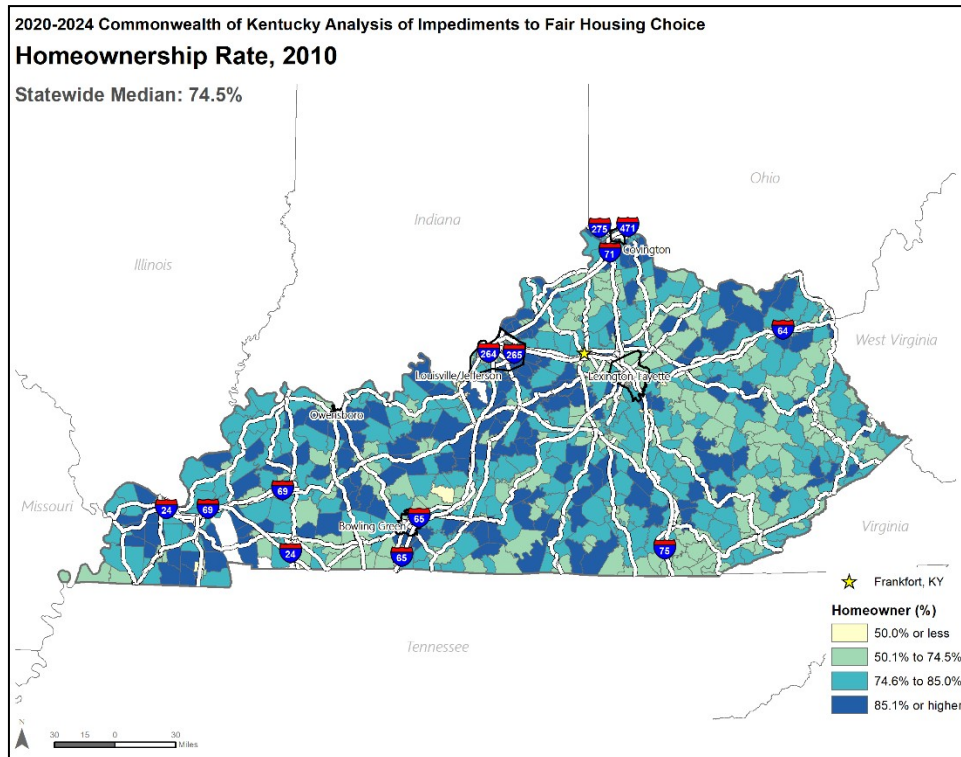
| Householder Race / Ethnicity | 2010 | | | | 2017 | | | |
|------------------------------|----------------|-----------------|-------------------------|------------------------|----------------|-----------------|-------------------------|------------------------|
| | Owner-Occupied | Renter-Occupied | Percent Renter Occupied | Percent Owner Occupied | Owner-Occupied | Renter-Occupied | Percent Renter Occupied | Percent Owner Occupied |
| White | 1,108,967 | 431,367 | 28.0% | 72.0% | 1,081,378 | 454,248 | 29.6% | 70.4% |
| Black | 50,706 | 78,150 | 60.6% | 39.4% | 49,899 | 86,173 | 63.3% | 36.7% |
| Asian | 7,662 | 7,814 | 50.5% | 49.5% | 9,263 | 9,108 | 49.6% | 50.4% |
| Multi-racial | 7,937 | 8,925 | 52.9% | 47.1% | 10,234 | 10,173 | 49.9% | 50.1% |
| Other | 5,999 | 12,438 | 67.5% | 32.5% | 4,802 | 9,236 | 65.8% | 34.2% |
| Hispanic | 12,062 | 21,918 | 64.5% | 35.5% | 13,849 | 25,145 | 64.5% | 35.5% |
| All Occupied Units | 1,181,271 | 538,694 | 31.3% | 68.7% | 1,155,576 | 568,938 | 33.0% | 67.0% |

Source: American Community Survey five-year estimates 2010, American Community Survey five-year estimates 2017

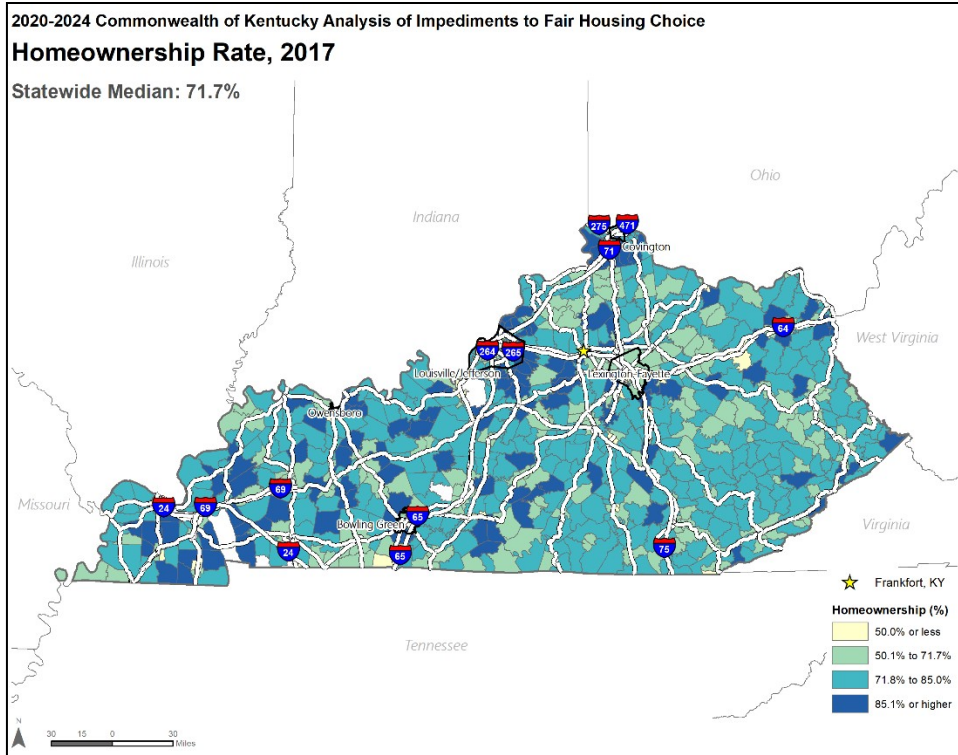
In 2010, the median homeownership rate at the census tract level was 74.5% which dropped to 71.7% in 2017. In both years, there were few census tracts with less than 50% homeownership rates but, as the 2017 map shows, there were fewer census tracts with the highest levels of homeownership in 2017 likely due to the 2008 recession and housing crisis which would not have been evident in data from 2010. By 2013, the beginning year of the 2013-2017 ACS estimates, the housing crisis was over and changes in housing would appear in the data.

Louisville/Jefferson County was largely comprised of homeowners in 2010 and most census tracts had homeownership rates above the statewide median. By 2017, there were concentrations of census tracts in which the homeownership rate was well below the statewide median. In Lexington-Fayette, similar patterns existed in 2010 and 2017; there were above median ownership rates in 2010 but large increases in the number of census tracts with below statewide median ownership rates by 2017.

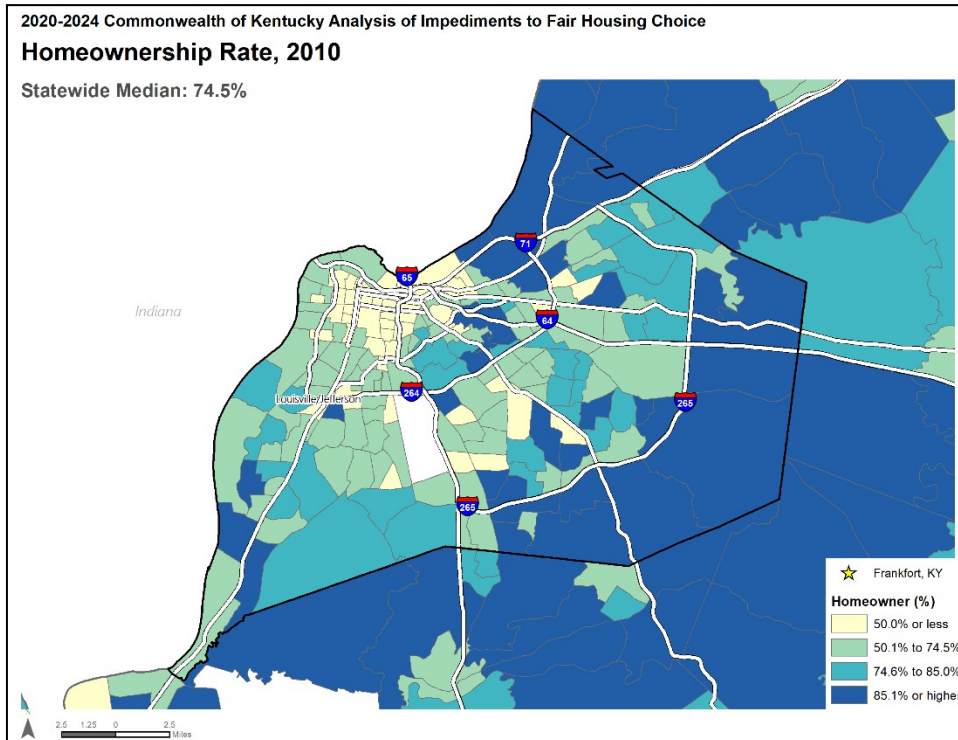
Map 23 Homeownership Rate, 2010



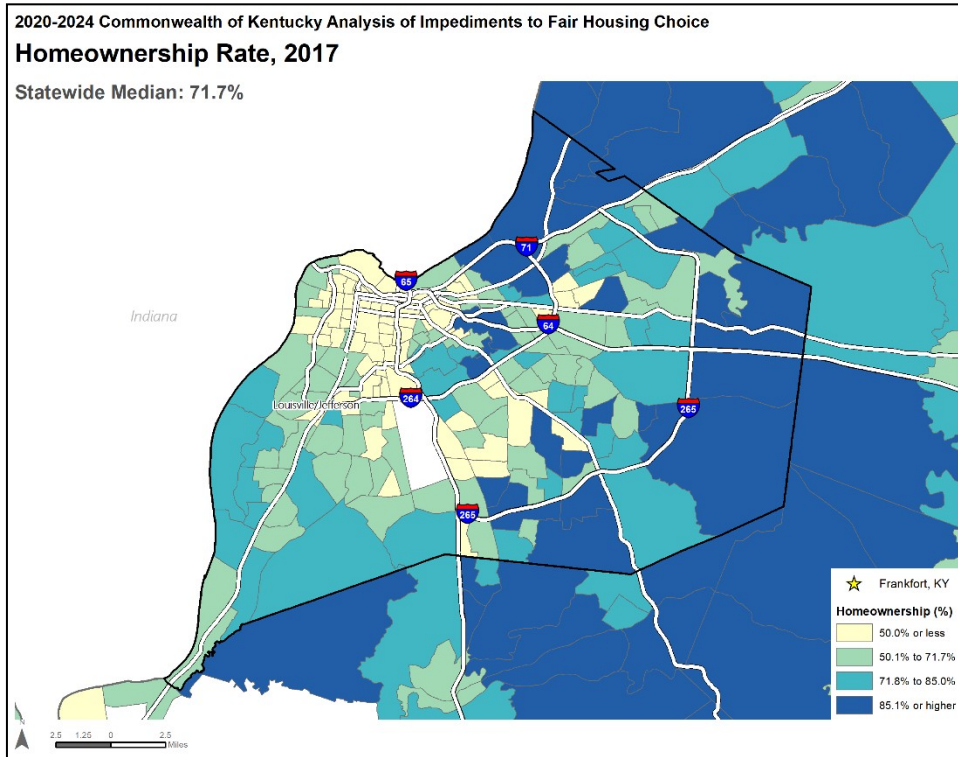
Map 24 Homeownership Rate, 2017



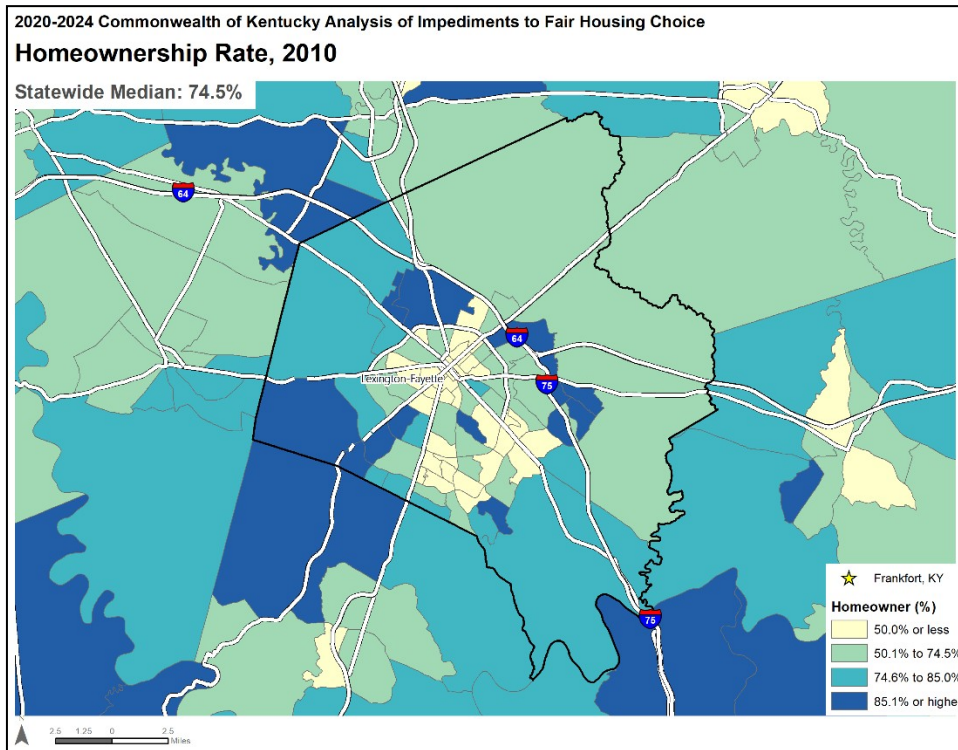
Map 25 Homeownership Rate Louisville/Jefferson County, 2010



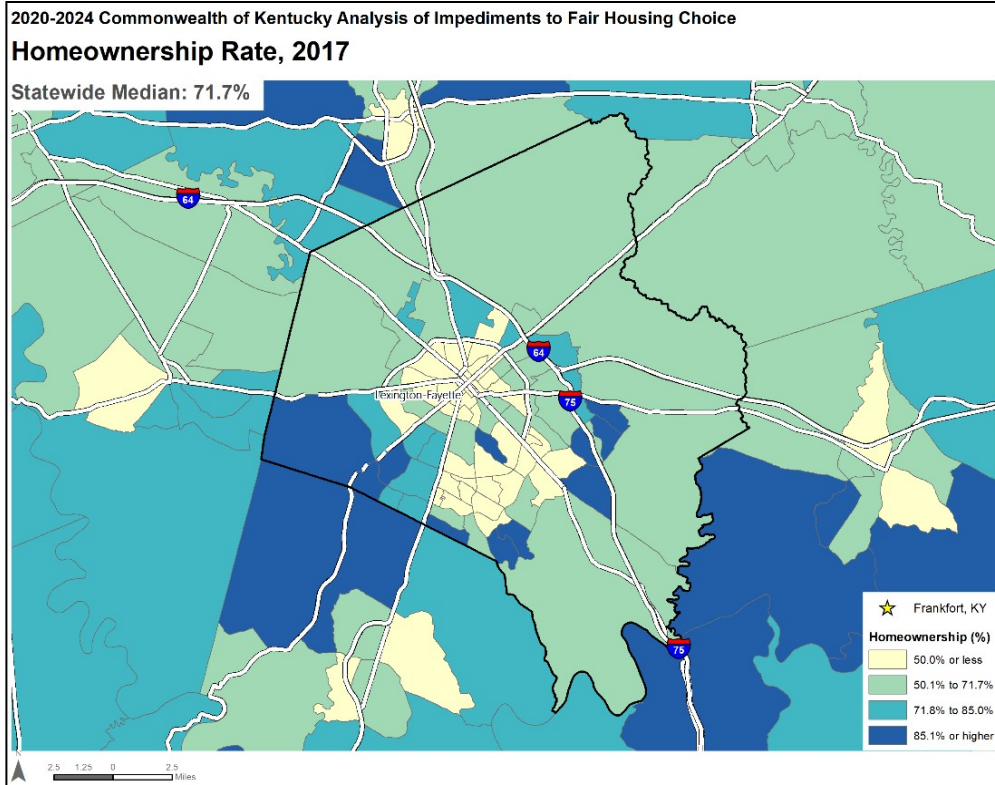
Map 26 Homeownership Rate Louisville/Jefferson County, 2017



Map 27 Homeownership Rate Lexington-Fayette, 2010



Map 28 Homeownership Rate Lexington-Fayette, 2017



Household size by race/ethnicity and unit sizes

Non-White households tend to be larger than White households meaning that non-White household will need larger units to avoid over-crowding. However, larger units are typically more costly than smaller units and, in general, non-White households tend to have lower household incomes than White households. To the extent that affordable housing is linked to fair housing, members of the protected classes may have limited housing choice.

In addition, non-White households are disproportionately represented in the rental market, yet most rental units have less than three bedrooms. Only 15.6% of the rental inventory in 2010 consisted of three- or more bedroom units which increased to 18% in 2017

Table 15 Household Size by Race/Ethnicity, 2017

| Household Size | White | | Black | | Asian | | Multi-racial | | Other race | | Hispanic | |
|-------------------------|-----------|-------|--------|-------|--------|-------|--------------|-------|------------|-------|----------|-------|
| | # | % | # | % | # | % | # | % | # | % | # | % |
| 3 person | 248,704 | 24.0% | 21,807 | 27.7% | 2,870 | 26.8% | 2,671 | 25.4% | 3,175 | 23.8% | 5,871 | 23.6% |
| 4 person | 191,919 | 18.5% | 15,047 | 19.1% | 2,832 | 26.4% | 2,158 | 20.5% | 3,315 | 24.8% | 6,451 | 25.9% |
| 5 person | 80,644 | 7.8% | 7,426 | 9.4% | 1,183 | 11.0% | 1,156 | 11.0% | 2,149 | 16.1% | 3,979 | 16.0% |
| 6 person | 27,352 | 2.6% | 3,052 | 3.9% | 433 | 4.0% | 470 | 4.5% | 1,065 | 8.0% | 1,889 | 7.6% |
| 7 person | 14,364 | 1.4% | 2,073 | 2.6% | 290 | 2.7% | 312 | 3.0% | 932 | 7.0% | 1,477 | 5.9% |
| Total Family Households | 1,036,492 | 100% | 78,821 | 100% | 10,721 | 100% | 10,504 | 100% | 13,367 | 100% | 24,878 | 100% |

Source: American Community Survey five-year estimates 2017

Table 16 Unit Size by Tenure, 2017

| Unit Size | 2010 | | | 2017 | | |
|------------|----------------------|-----------------------|-------------------------|----------------------|-----------------------|-------------------------|
| | Owner-Occupied Units | Renter-Occupied Units | Percent Renter-Occupied | Owner-Occupied Units | Renter-Occupied Units | Percent Renter-Occupied |
| 0 Bedroom | 1,791 | 12,492 | 87.5% | 3,096 | 18,410 | 85.6% |
| 1 Bedroom | 20,279 | 110,472 | 84.5% | 20,046 | 114,364 | 85.1% |
| 2 Bedroom | 223,647 | 211,272 | 48.6% | 203,337 | 232,260 | 53.3% |
| 3+ Bedroom | 925,889 | 170,866 | 15.6% | 929,097 | 203,904 | 18.0% |

Source: American Community Survey five-year estimates 2017

Changes in household income relative to housing costs

Between 2010 and 2017, household incomes have stagnated; when adjusted for inflation, household incomes fell by 0.1%. Median home values have also decreased slightly by 0.6%. The median gross rent, however, has increased by 5.9%. Given that members of the protected classes are disproportionately represented in the rental market, these households are required to spend an increasing amount of their income on housing than their home-owning counterparts.

Table 17 Changes in Housing Costs and Household Income, 2010 - 2017

| | 2010 (adj to 2017\$) | 2017 | Percent Change 2010-2017 |
|-------------------------|-------------------------|-----------|-----------------------------|
| Median Gross Rent | \$673 | \$713 | 5.9% |
| Median Housing Value | \$130,816 | \$130,000 | -0.6% |
| Median Household Income | \$46,565 | \$46,535 | -0.1% |

Source: American Community Survey five-year estimates 2017

Segregation/Integration

Overview of the Analysis

Residential segregation is a measure of the degree of separation of racial or ethnic groups living in a neighborhood or community. Latent factors, such as attitudes, or overt factors, such as real estate practices, can limit the range of housing opportunities for minorities. A lack of racial or ethnic integration in a community creates other problems, such as reinforcing prejudicial attitudes and behaviors, narrowing opportunities for interaction, and reducing the degree to which community life is considered harmonious. Areas of extreme minority isolation often experience poverty and social problems at rates that are disproportionately high. Racial segregation has been linked to diminished employment prospects, poor educational attainment, increased infant and adult mortality rates and increased homicide rates.

Segregation can be measured using a statistical tool called the dissimilarity index (DI).² This index measures the degree of separation between racial or ethnic groups living in a community. Since White residents are the majority in Kentucky, all other racial and ethnic groups were compared to the White population as a baseline. DI scores were determined for each county for Black, Asian and Hispanic populations as well as an aggregated index comparing the non-White population with the White population.

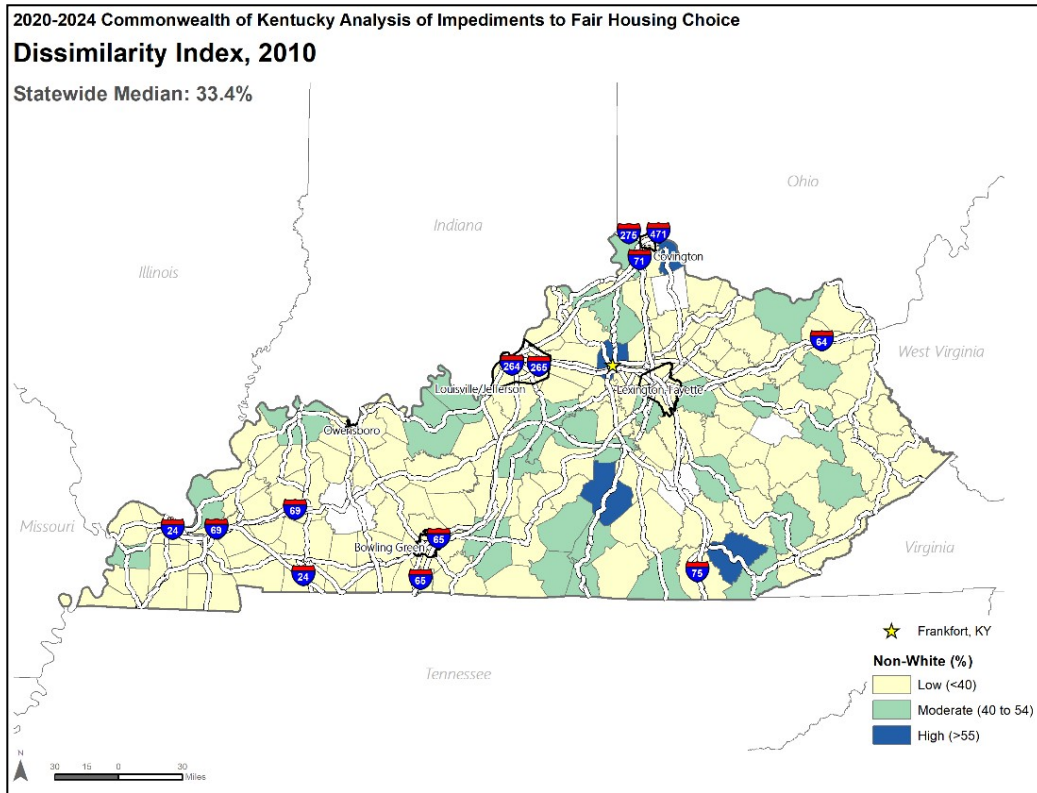
The index of dissimilarity allows for comparisons between subpopulations (i.e. different races/ethnicities), indicating how much one group is spatially separated from another within a community. In other words, it measures the evenness with which two groups are distributed across the neighborhoods that make up a community. The index of dissimilarity is rated on a scale from 0 to 100, in which a score of 0 corresponds to perfect integration and a score of 100 represents total segregation. According to HUD, a score under 40 is considered low, between 40 and 54 is moderate, and above 60 is high segregation.

Dissimilarity Index trends

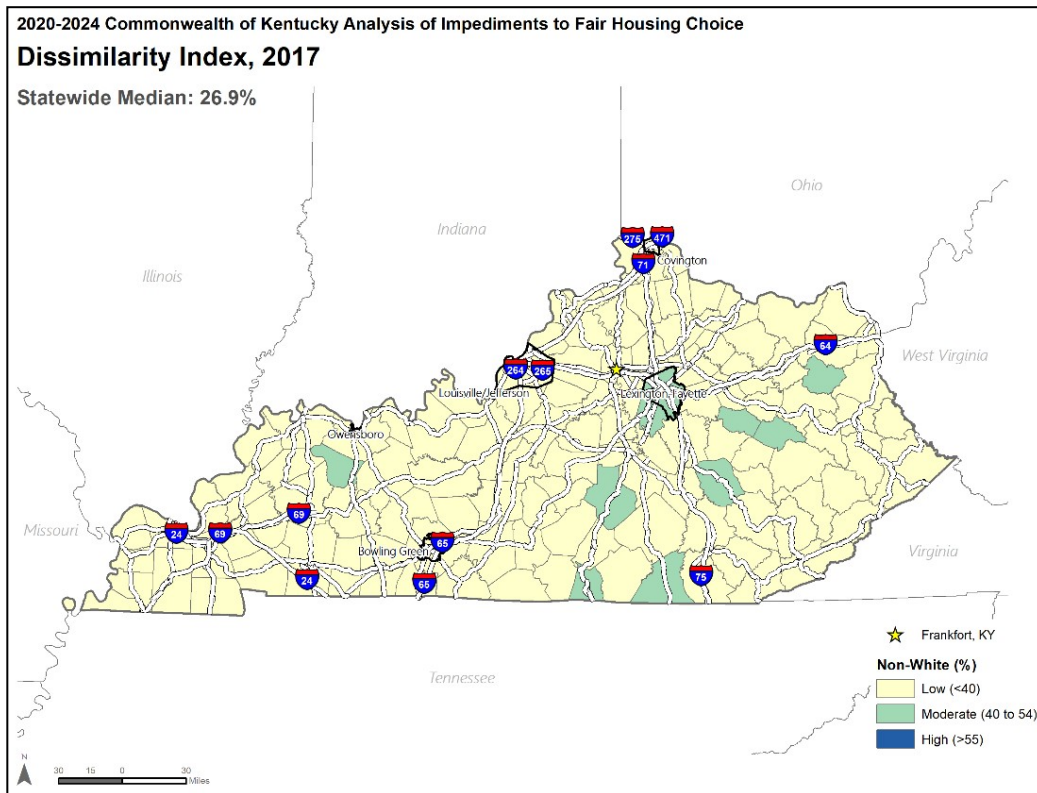
In general, the level of segregation was low and moderate across Kentucky with only a small number of high segregation areas in 2010. By 2017, there was less segregation and most counties overall have a low level of segregation as shown in Maps 29 and 30. Map 31 illustrates the percent change in the DI score. All areas that are shown in yellow or light green has experienced a decrease in the DI score meaning that there is less segregation. Areas shown in blue are areas in which segregation has increased among White/Non-White populations. Specifically, segregation has increased in the metro areas including in Lexington-Fayette, Louisville/Jefferson County, Bowling Green and areas to the west of Bowling Green along the Tennessee, Missouri and Illinois borders as shown on the following map. See Appendix A for a county comparison table of the Dissimilarity Index by race.

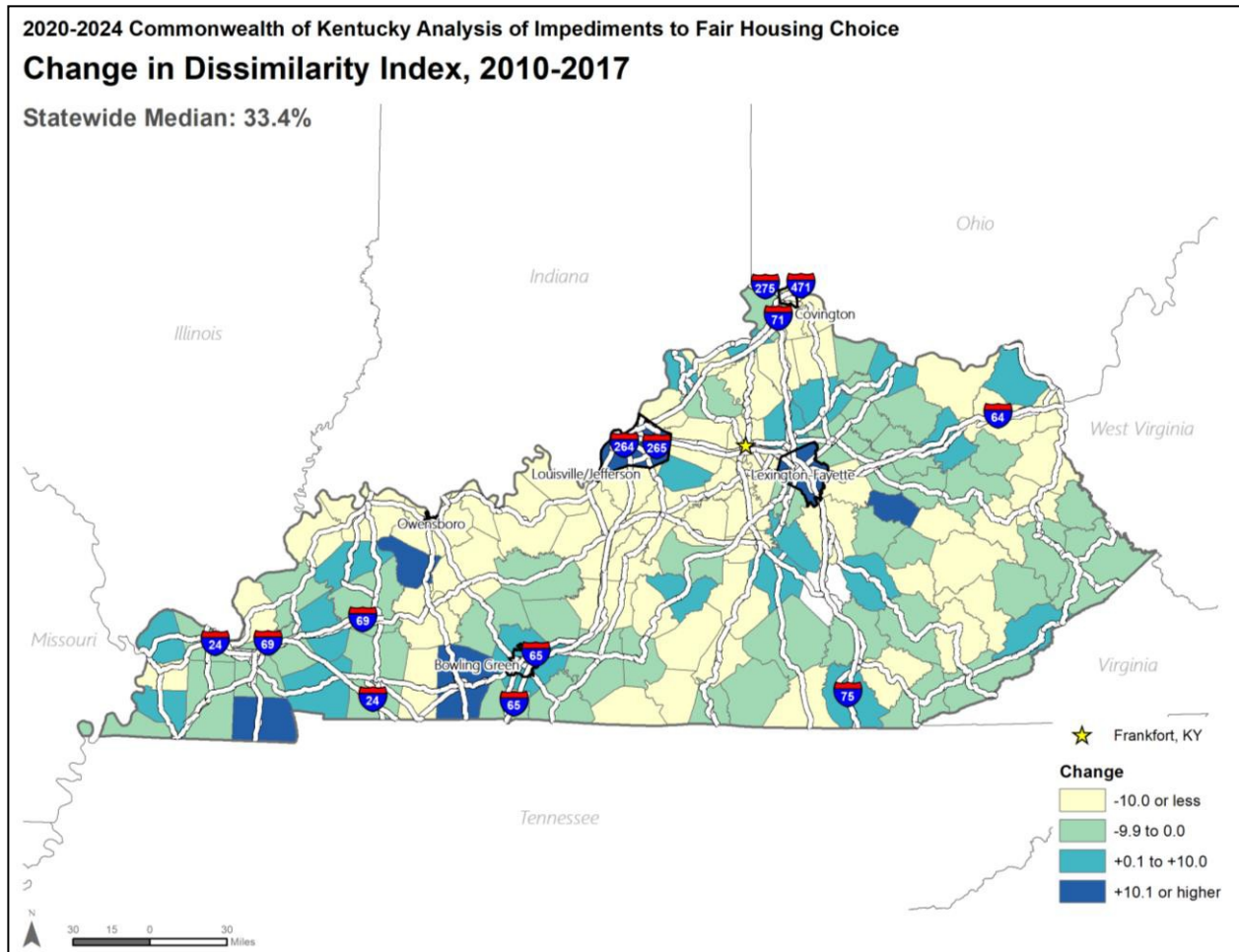
² For a given geographic area, the index is equal to $[(a/A) * (a/t)]$, where "a" is the group population of a sub-region, "t" is the population of all groups in the sub-region, and "A" is the total group population in the larger region.

Map 29 Dissimilarity Index, 2010



Map 30 Dissimilarity Index, 2017





The previous three maps indicate the level of segregation as defined by the DI score among Whites/Non-Whites meaning that the score was calculated by comparing the residential patterns for all White Non-Hispanic persons against all other persons not identifying as White Non-Hispanic. Even with low segregation overall, different racial and ethnic groups in Kentucky experience varying levels of segregation when disaggregated by race/ethnicity rather than when comparing all non-White persons to the White population. The following table illustrates the DI score when the Non-White population is disaggregated. Many more counties have medium levels of segregation when racial/ethnic groups are disaggregated. Note that the margins of error for some populations were sufficiently large as to not allow for the calculation of a DI score for individual races/ethnicities as shown in the N.A. column at right.

Table 18 Summary of the Number of Counties with Varying Levels of Segregation by Race/Ethnicity, 2017

| | Low | Medium | High | N.A. |
|-----------------|-----|--------|------|------|
| Non-White/White | 111 | 10 | 0 | 0 |
| Black/White | 29 | 28 | 3 | 61 |
| Asian/White | 9 | 18 | 3 | 91 |
| Hispanic/White | 60 | 32 | 1 | 28 |

Source: American Community Survey five-year estimates 2017, calculations by Mullin & Lonergan Associates, Inc.

Racially/Ethnically Concentrated Areas of Poverty (R/ECAPs)

Overview of analysis

HUD defines R/ECAPs as census tracts with a non-White population of at least 50% (and 20% outside of metropolitan/micropolitan areas) and a poverty rate that either exceeds 40% or is three times the average tract poverty rate for the metropolitan/micropolitan area, whichever is lower. By combining these data, it is possible to determine geographic patterns where there are concentrated areas of poverty among racial/ethnic minorities.

Identification of R/ECAPs

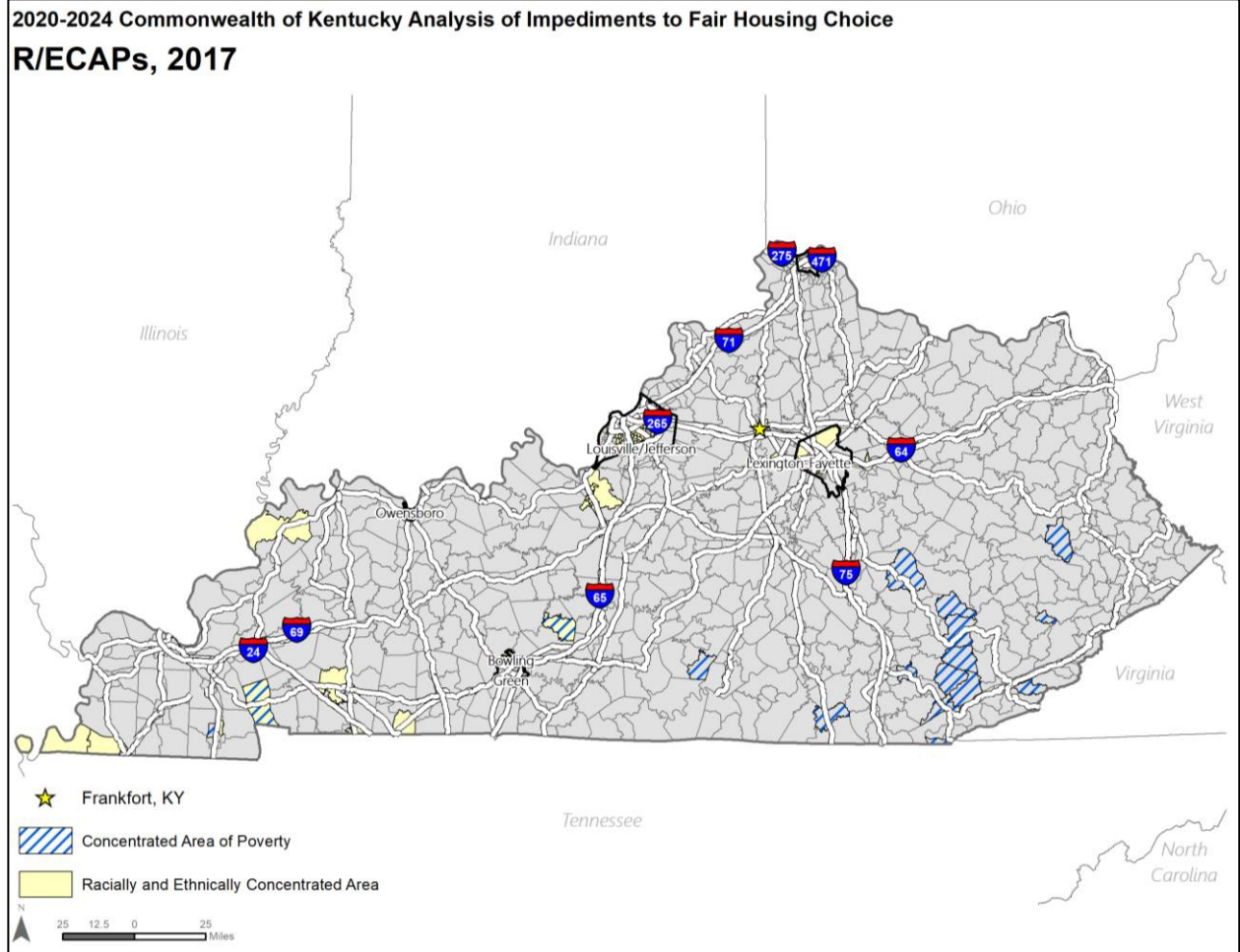
Given the relatively low non-White population of Kentucky outside of urban areas, applying the HUD definition could potentially overlook areas in need. Therefore, an alternative definition is used in which the thresholds include: a census tract with a non-White population that is ten percentage points higher than the statewide non-White average and a census tract with a poverty rate of at least 40%. There are 24 census tracts in the Commonwealth that meet these criteria.

Most R/ECAPs are located in and near urban areas. There are also census tracts in the eastern part of Kentucky that do not meet the R/ECAP definition because they are largely populated by White persons, but the poverty rate does meet the 40% threshold.

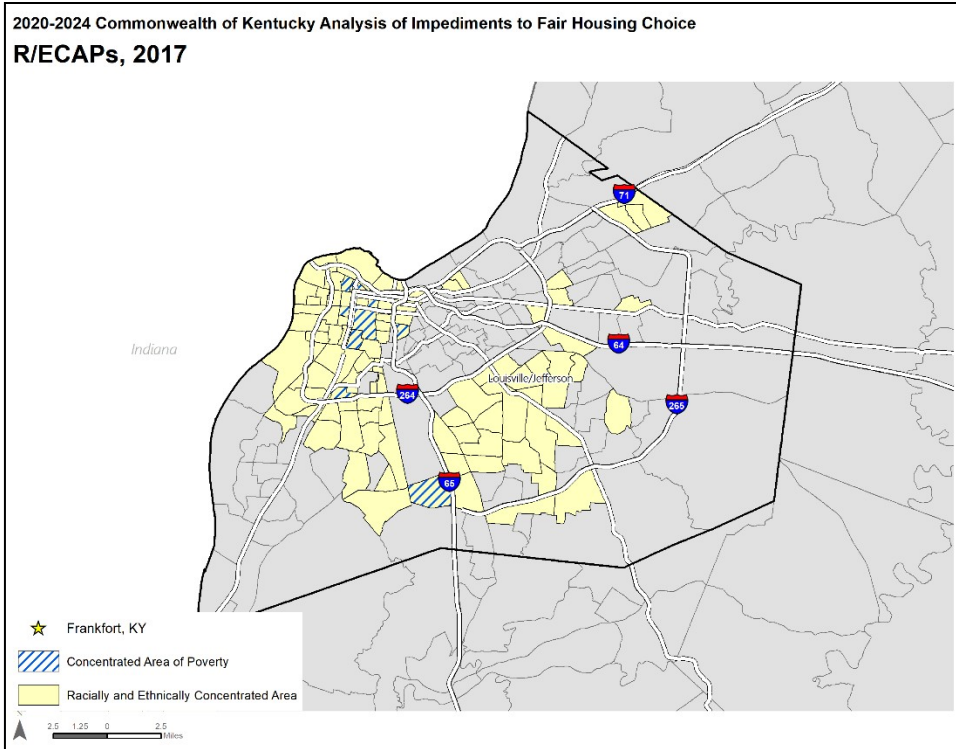
Table 19 Modified R/ECAP Census Tracts, 2017

| Census Tract | County | Non-White | Poverty |
|--------------|------------------|-----------|---------|
| 501 | Campbell County | 37.6% | 60.3% |
| 2003 | Christian County | 41.6% | 50.3% |
| 2 | Daviess County | 35.4% | 45.1% |
| 9801 | Edmonson County | 81.7% | 91.0% |
| 4 | Fayette County | 60.9% | 46.2% |
| 9 | Fayette County | 31.8% | 70.5% |
| 1.01 | Fayette County | 29.2% | 43.3% |
| 19 | Fayette County | 42.2% | 58.5% |
| 119.01 | Jefferson County | 73.8% | 42.1% |
| 18 | Jefferson County | 98.4% | 45.0% |
| 21 | Jefferson County | 37.7% | 51.2% |
| 23 | Jefferson County | 49.2% | 44.2% |
| 27 | Jefferson County | 83.4% | 52.7% |
| 28 | Jefferson County | 84.0% | 41.2% |
| 30 | Jefferson County | 91.7% | 78.6% |
| 43.01 | Jefferson County | 68.6% | 43.2% |
| 65 | Jefferson County | 60.0% | 48.0% |
| 609 | Kenton County | 39.8% | 53.8% |
| 651 | Kenton County | 48.8% | 43.2% |
| 671 | Kenton County | 66.7% | 44.4% |
| 304 | McCracken County | 68.9% | 41.2% |
| 9801 | Trigg County | 57.1% | 100.0% |
| 110.01 | Warren County | 45.3% | 42.4% |
| 103 | Warren County | 49.5% | 42.3% |

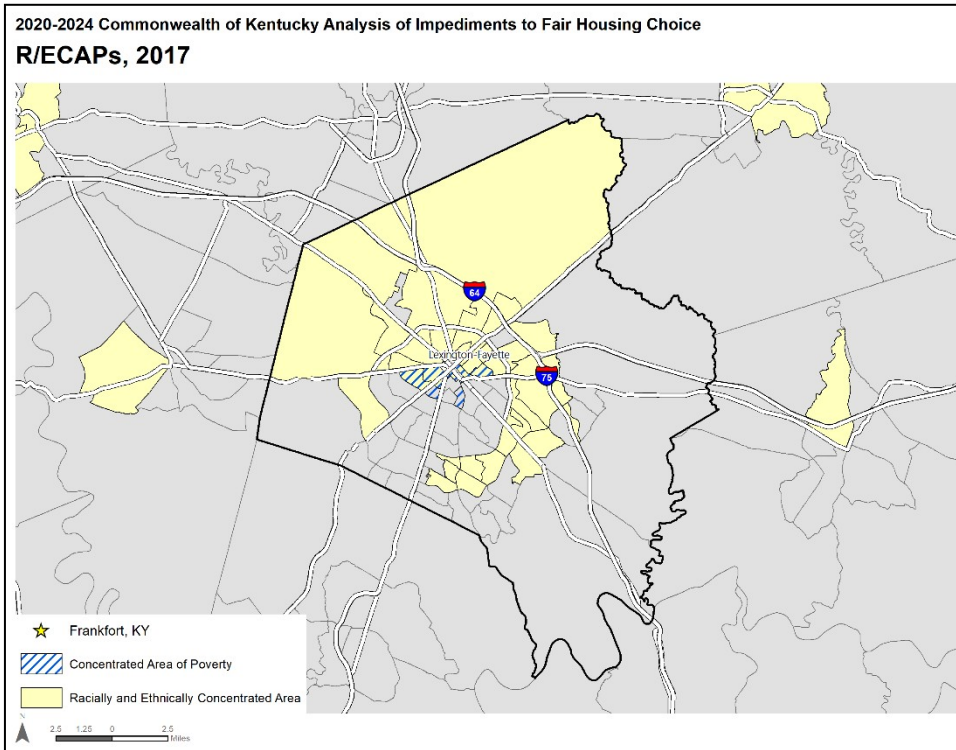
Source: American Community Survey five-year estimates 2017



Map 33 R/ECAPs in Louisville, 2017



Map 34 R/ECAPs in Lexington, 2017



5. Public Sector Policy Analysis

Impediments to fair housing choice can take many forms. Some policies, practices, and procedures may appear neutral on their face but adversely affect the provision of fair housing in reality. An important element of the AI is an examination of public policies in Kentucky to determine opportunities for reducing obstacles to fair housing and expanding housing choice.

Federal Funding Sources and Programs

Collectively, the Community Development Block Grant (CDBG), HOME Investment Partnerships, Emergency Solutions Grant (ESG) and Housing Opportunities for Persons With AIDS (HOPWA) programs are under the authority of the Community Planning and Development (CPD) division of the U.S. Department of Housing & Urban Development (HUD). In addition, since 2016, the State has received a \$3 million annual allocation from the Housing Trust Fund (HTF), also under the authority of HUD. Kentucky also receives annually approximately \$12 million in financing through the federal Low-Income Housing Tax Credit (LIHTC) program.

Annually, the State is required to engage the public and stakeholders in the development of its Annual Action Plan to identify the eligible activities it will fund and implement with CDBG, HOME, ESG, and HOPWA funds. In addition, the State undertakes a Consolidated Plan every five years to set priorities and goals for upcoming Annual Action Plans.

This section analyzes the state-level policies in place that guide how Kentucky affirmatively furthers fair housing as part of its planning process and in the implementation of its CDBG, HOME, LIHTC and HTF programs.

Community Development Block Grant Program

The Kentucky Department for Local Government (DLG) administers the CDBG program across the State. Eligible applicant communities include those that are not direct HUD entitlement grantees. DLG

allocates CDBG resources to address community needs such as housing, economic development, public facilities, and public services. In 2017, the State received \$22.8 million in CDBG funds.

DLG's CDBG Handbook is available online and was reviewed for the AI. The handbook includes a statement of non-discrimination, including a statement making known the Department's ability to make reasonable accommodation for persons with disabilities to participate in all programs, services and activities. Chapter 7: Fair Housing and Equal Opportunity, along with the associated attachments, was reviewed. The Department's non-discriminatory statement includes the seven federal protected classes and also reinforces the more recent HUD regulations and guidelines as well Executive Order 11246. The latter include:

- March 2012 HUD regulations that provide fair housing to persons regardless of sexual orientation or gender identity (actual or perceived)
- EO11246 that extended coverage to these classes in 2014
- September 2016 HUD guidance that formalized legal standards regarding sexual harassment in housing and how the Fair Housing Act applies to ensure that local nuisance or crime-free housing ordinances do not lead to discrimination
- September 2016 HUD guidance regarding Fair Housing Act protections for persons with limited English proficiency (LEP)

As part of the grant agreement to receive state CDBG funding, a sub-recipient must provide assurances to further fair housing and ensure nondiscrimination, such as maximizing housing choice throughout the jurisdiction; lessening racial, ethnic and economic concentrations in housing; facilitating desegregation and racially inclusive patterns of occupancy; providing for equal access in HUD-funded properties and programs; and, affirmatively furthering fair housing. Sub-recipients must designate a local fair housing and equal opportunity coordinator, adopt a fair housing resolution and undertake one or more activities from among a list of 12 initiatives—all of which promote fair housing.

In addition to requiring compliance with the federal Fair Housing Act, state CDBG sub-recipients must also comply with Title VI of the Civil Rights Act of 1964 and KRS 344.015. To achieve this, sub-recipients can

either adopt DLG's Title VI Implementation Plan or create one of their own. Furthermore, sub-recipients must ensure equal opportunities are made available through project site selection, evaluation criteria and administrative practices are non-discriminatory, affirmative actions are undertaken to overcome past discriminatory actions, and EEO and fair housing posters are prominently displayed, among other things. A grievance procedure to handle complaints must be put in place as well.

Specific to housing activities, sub-recipients are required to periodically review the Commonwealth's AI or adopt their own and maintain compliance. Marketing to LEP populations, selection criteria for program participants, policies for relocation, and legal documents must be reviewed and revised, as needed, to ensure compliance. Section 504 requirements regarding accessibility are imposed, including accessible design and construction features for housing activities. Sub-recipients are required to use DLG's four- factor analysis to ensure meaningful access to LEP populations, and to ensure that Language Access Plans address local LEP data and needs.

Information on how to file a complaint alleging discrimination is provided as an online link to HUD Discrimination Form 903.1 (online complaint form). DLG also provides a substantial list of attachments, several of which are templates for required documents (e.g., local Fair Housing Resolution, Civil Rights Title VI Self-Survey, Policy of Non-Discrimination Section 504 Public Notice, etc.).

DLG monitors its sub-recipients on a periodic basis. In an interview with DLG executive staff, it was reported that DLG requires that sub-recipient document compliance with fair housing requirements before a release of funds is approved. This step became necessary when DLG found that its programmatic fair housing requirements were simply not being met by sub-recipients. Now, midway through a project, DLG monitors it for compliance. If a finding is noted, a letter is sent to the sub-recipient and a 10% administrative fee is withheld until the finding is resolved. As a result of these changes, fair housing compliance in the state CDBG program is higher. Staff reported that the only issue they may find now is that a local government sub-recipient has an outdated fair housing policy that hasn't been updated if a new elected official has been sworn in.

DLG provides fair housing training as part of its mandatory program administrative training for sub-recipient staff. DLG staff are provided fair housing training opportunities through KHC's statewide training opportunities.

HOME Investment Partnerships Program

KHC administers the HOME program, which provides funding for affordable housing initiatives across the Commonwealth. In terms of fair housing, the location of assisted housing can expand access to community assets or it can perpetuate residential segregation patterns. For example, affordable housing units planned and developed in high opportunity areas can facilitate access to better schools and jobs. On the other hand, affordable housing that is located exclusively in R/ECAP or lower opportunity areas can restrict housing choice and residents' access to higher quality community assets.

KHC's HOME funds may be used for the development of multifamily properties involving acquisition and rehabilitation or new construction of affordable rental housing. Income-eligible households include those with incomes up to 60% of the area median. The required affordability period for new construction rental development is 20 years. The affordability period for rehabilitation projects is dependent upon the amount of HOME funds invested per unit, ranging from 5 to 15 years.

HOME funds are may be used for the following single-family residential activities.:

- Homebuyer assistance can include acquisition and rehabilitation for resale of an existing home and new construction of a single-family unit. Acquisition can occur under direct sale to the homebuyer or via a lease-purchase agreement. Up to \$40,000 of HOME funds may be used to assist homebuyers via a direct subsidy for principal reduction, and/or down payment and closing costs assistance. Up to \$25,000 of HOME funds per house may also be used for development gap subsidy in the event the total development costs exceed the appraised value sales price of the unit. The level of development gap subsidy available is dependent on the energy-efficiency of the unit as defined by its HERS rating. Eligible households include those with incomes up to 80% of the area median. Until the calendar year 2019 award cycle, KHC also provided up to \$60,000 of HOME funds per unit funds for homeowner rehabilitation to bring a primary residence up to current building code or, if the house is too dilapidated, to demolish it

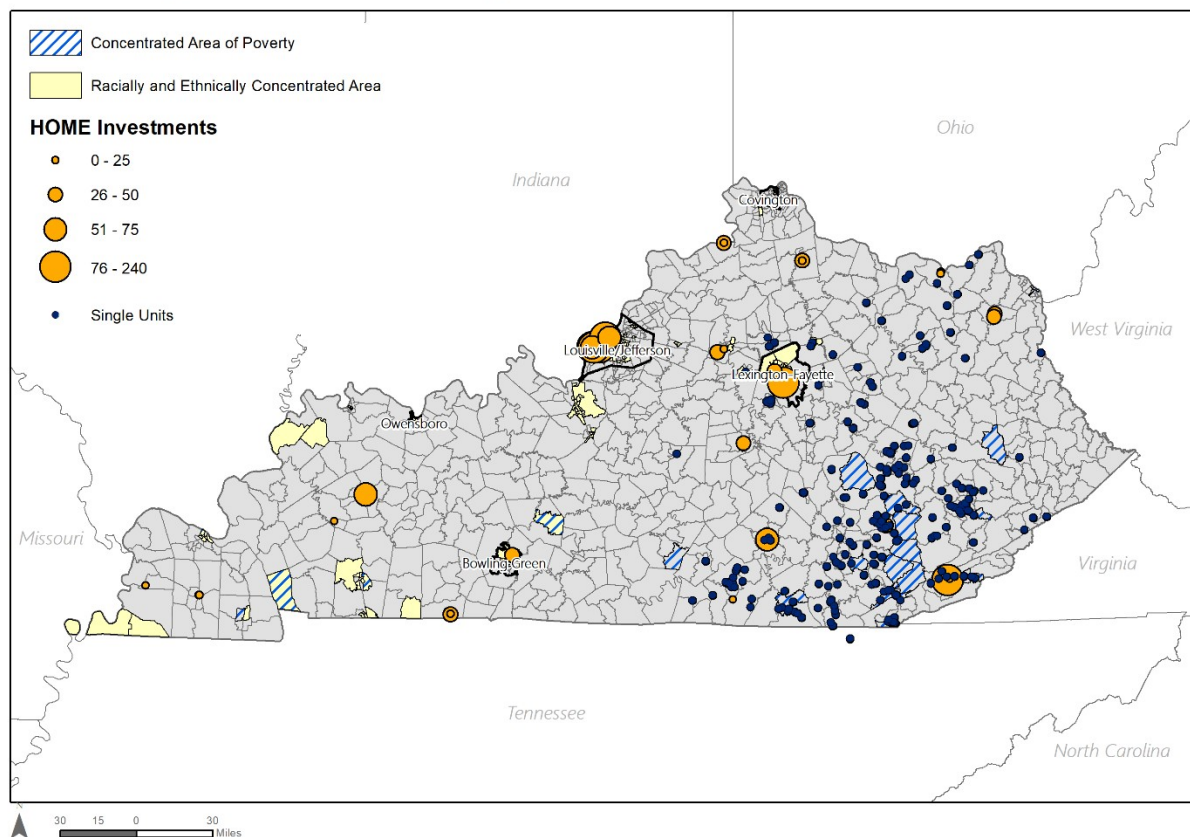
and build a new home. Eligible households included those with incomes up to 80% of the area median. Owner-occupied home repairs are now funded using Kentucky state Affordable Housing Trust Fund moneys.

- Tenant-based rental assistance provides funds for rent and utility assistance as well as security and utility deposits. Eligible households have incomes up to 60% of the area median.

The following series of maps illustrate the HOME-financed single-family and multi-family housing activities for the three-year period beginning July 2015. Of the 6,659 dwellings represented on the maps, 448 units (6.7%) are located in R/ECAPs in Lexington (80) and Louisville (384).

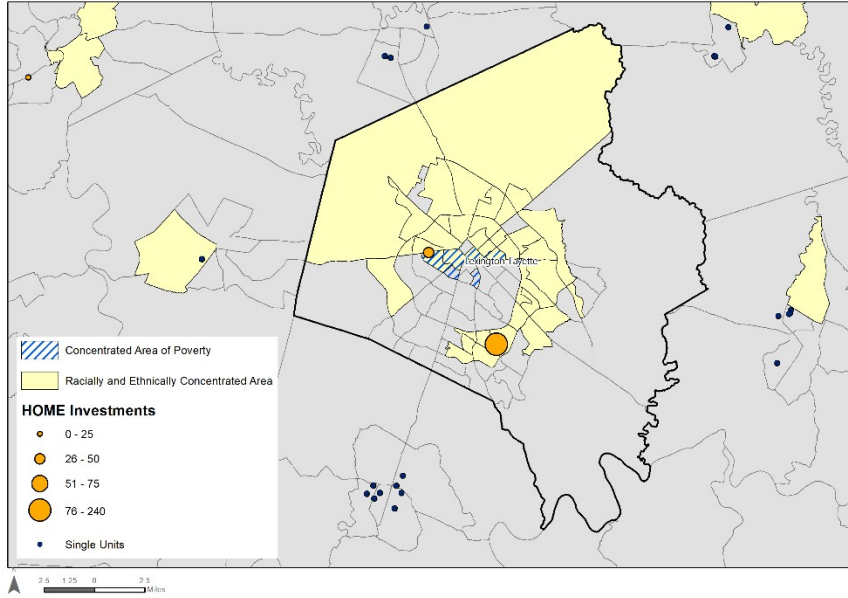
Map 35 HOME Program Investments in Kentucky, July 2015-June 2018

2020-2024 Commonwealth of Kentucky Analysis of Impediments to Fair Housing Choice
HOME Program Investments, July 2015 - June 2018



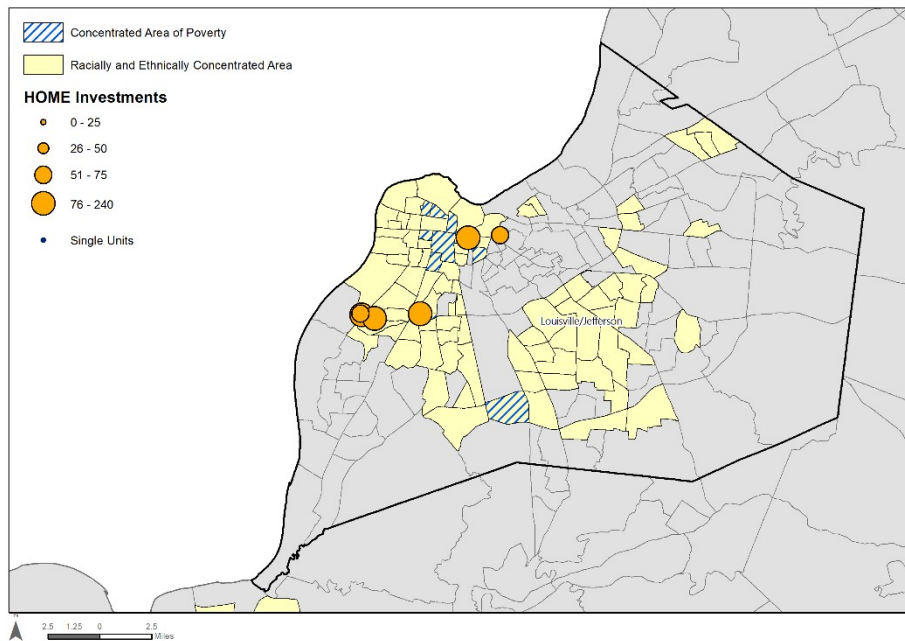
Map 36 HOME Program Investments in Lexington-Fayette County, July 2015-June 2018

2020-2024 Commonwealth of Kentucky Analysis of Impediments to Fair Housing Choice
HOME Program Investments, July 2015 - June 2018



Map 37 HOME Program Investments in Louisville-Jefferson County, July 2015-June 2018

2020-2024 Commonwealth of Kentucky Analysis of Impediments to Fair Housing Choice
HOME Program Investments, July 2015 - June 2018



KHC's *Minimum Design Standards for New Construction, Adaptive Reuse and Rehabilitation of Multi-family Housing Units* (revised for 2020) was reviewed for the AI. KHC's minimum design standards apply to all new construction and reconstruction of multi-family dwellings, all adaptive reuse converting non-residential uses to residential uses, and limited rehabilitation projects constructed with funds from HOME, HTF, LIHTC and three other KHC programs. This standard also applies to all rehabilitation of existing multifamily properties and structures. KHC also has design standards for single-family housing funded via HOME and state Affordable Housing Trust Fund dollars, with separate standards established for rehabilitation and new construction.

Furthermore, all construction must comply with the following applicable codes and standards:

- Kentucky building and residential construction codes
- Local planning and zoning requirements
- Local public housing authorities' rules and regulations
- The Fair Housing Amendment Act of 1988 (for units constructed for first occupancy on or after March 31, 1991)
- Section 504 of the Rehabilitation Act of 1973
- American with Disabilities Act of 1990

In a letter from HUD dated October 19, 2017 in which the Commonwealth's 2017 Annual Action Plan was reviewed and approved by HUD, the Office of Fair Housing and Equal Opportunity provided the following comments related to new construction and housing rehabilitation activities undertaken with HUD entitlement funds: the State failed to indicate that the developer of these housing activities was aware of the new construction accessibility requirements of the federal Fair Housing Act (24 CFR 100.205) and Section 504 of the Rehabilitation Act of 1973, as amended (24 CFR 8.20) and/or the Uniform Federal Accessibility Standards (UFAS) when constructing new rental and/or rehabilitated housing. FHEO recommended that Kentucky provide a statement to include these requirements in future Consolidated Annual Performance and Evaluation Reports (CAPERs) and Annual Action Plans and ensure that all contractors, sub-contractors, architects, developers and anyone affiliated with development activities have expert knowledge of the Fair Housing Act, Section 504 and UFAS to ensure compliance.

A review of KHC's *Architect's Certification of Compliance with Design Requirements for Accessible Housing* was reviewed in light of the comments provided by FHEO in the October 19, 2017 letter. This form, which is required to be completed and submitted with all project applications requesting KHC funding, includes the design accessibility standards mentioned in the FHEO letter. Signatures are required from both the architect and the project owner/developer. KHC should revise the certification form or create a new form to require the same level of compliance from general contractors responsible for the design and construction of residential units covered by these standards. And, a brief description of how KHC is addressing this requirement using the certification form should be included in each CAPER in which new construction and/or rehabilitation activities are reported.

Developers awarded HOME funds must comply with the affirmative marketing requirements and procedures outlined in 24 CFR Part 92.351 as stated in KHC's *Single Family Homebuyer Development Program Policy Manual* (revised February 27, 2019). The first sentence of that section of the federal regulations states the following: Each participating jurisdiction must adopt and follow affirmative marketing procedures and requirements for rental and homebuyer projects containing five or more HOME-assisted housing units. Although KHC's *Single Family Homebuyer Development Policy Manual* and *Multifamily Guidelines* address requirements, KHC acknowledges a formally adopted document specifically addressing KHC's affirmative marketing procedures and requirements would be a good practice.

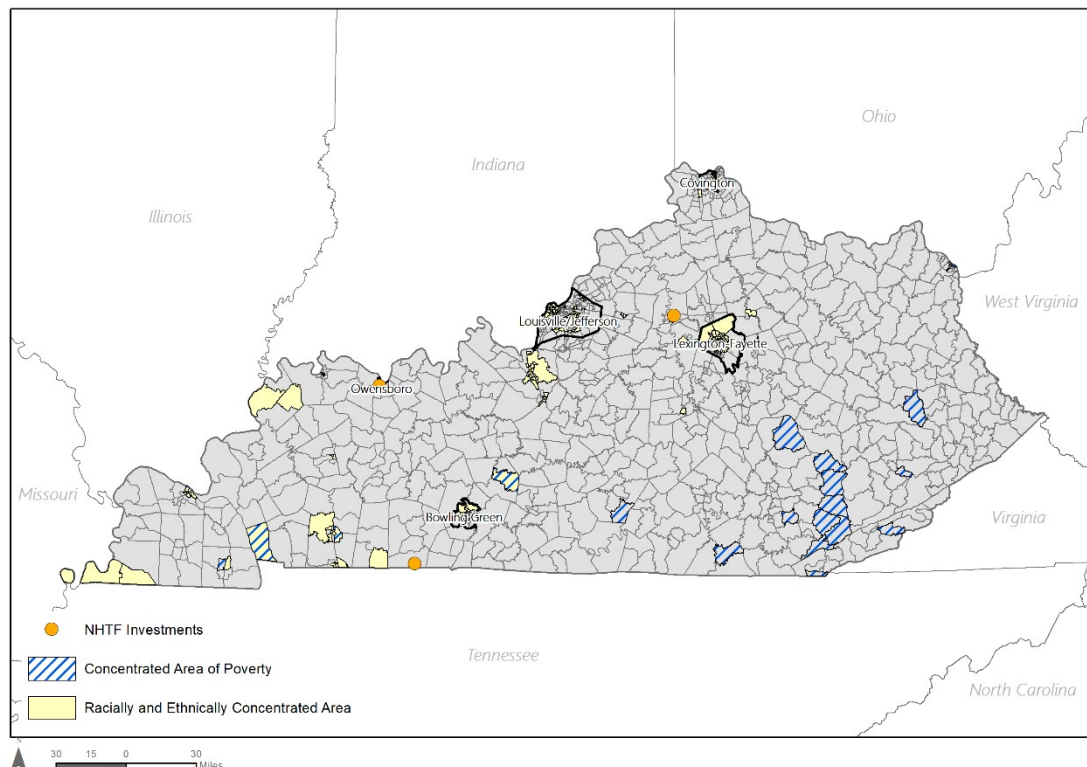
National Housing Trust Fund

The Housing Trust Fund (HTF) is an affordable housing production program that complements existing Federal, state and local efforts to increase and preserve the supply of decent, safe, and sanitary affordable housing for extremely low- and very low-income households, including homeless families. HTF funds may be used for the production or preservation of affordable housing through the acquisition, new construction, reconstruction, and/or rehabilitation of non-luxury housing with suitable amenities. Kentucky receives the minimum allocation of \$3 million annually from this program.

In its 2018 CAPER, KHC reported using HTF funds for the preservation and rehabilitation of over 300 affordable rental housing units that serve extremely low-income families or families with incomes at or below the poverty line. HTF investments are geographically illustrated on the following series of maps.

Map 38 National Housing Trust Fund Investments in Kentucky, July 2015-June 2018

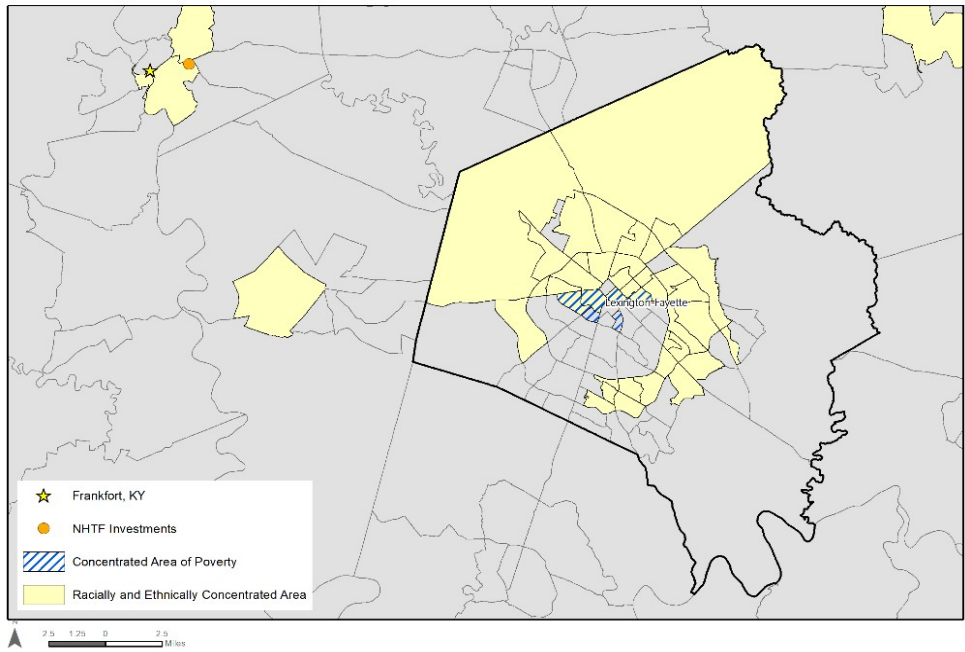
2020-2024 Commonwealth of Kentucky Analysis of Impediments to Fair Housing Choice National Housing Trust Fund Investments, July 2015 - June 2018



Map 39 National Housing Trust Fund Investments in Lexington-Fayette County, July 2015-June 2018

2020-2024 Commonwealth of Kentucky Analysis of Impediments to Fair Housing Choice

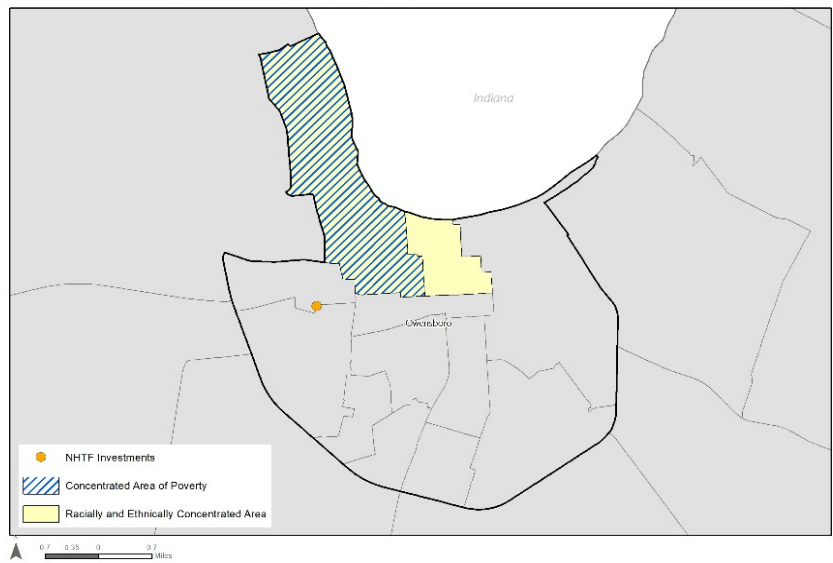
National Housing Trust Fund Investments, July 2015 - June 2018



Map 40 National Housing Trust Fund Investments in Owensboro, July 2015-June 2018

2020-2024 Commonwealth of Kentucky Analysis of Impediments to Fair Housing Choice

National Housing Trust Fund Investments, July 2015 - June 2018



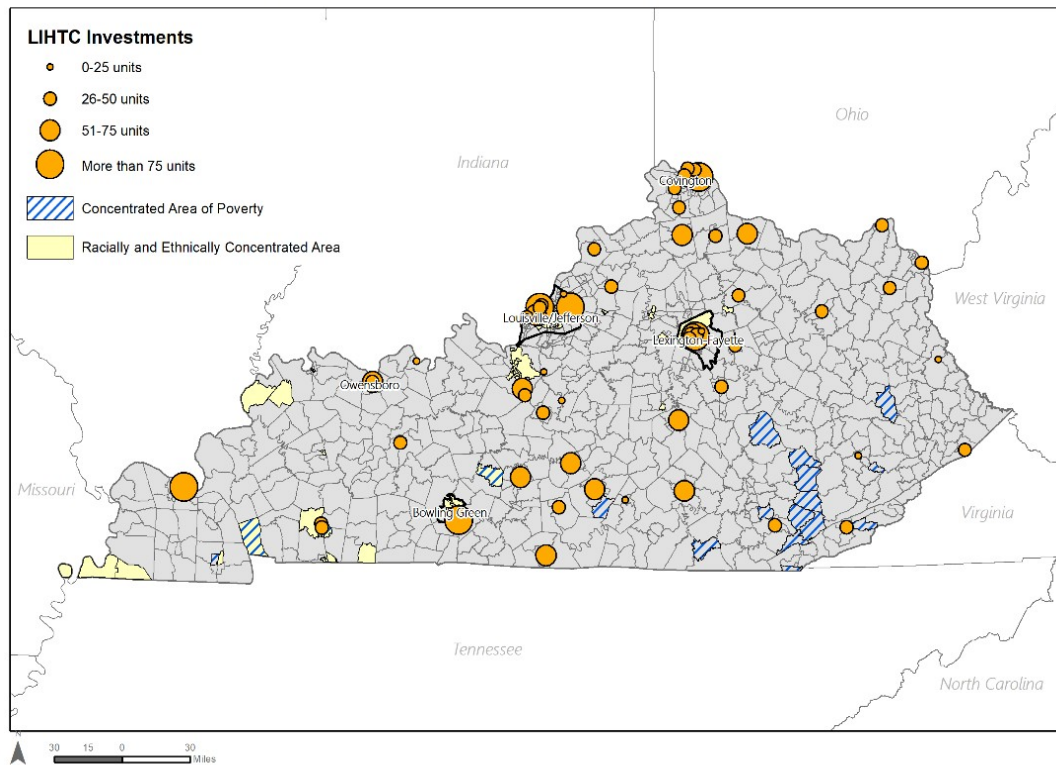
Low Income Housing Tax Credit Program and the Qualified Allocation Plan

The Qualified Allocation Plan (QAP) is a public policy based on guidelines established by Section 42 of the Internal Revenue Code, which establishes KHC's priorities for rental housing initiatives financed with Low Income Housing Tax Credits (LIHTC).

The following series of maps illustrate the types and locations of investments made with LIHTC funding for the two-year period beginning July 2016.

Map 41 Low Income Housing Tax Credit Investments in Kentucky, July 2016-June 2018

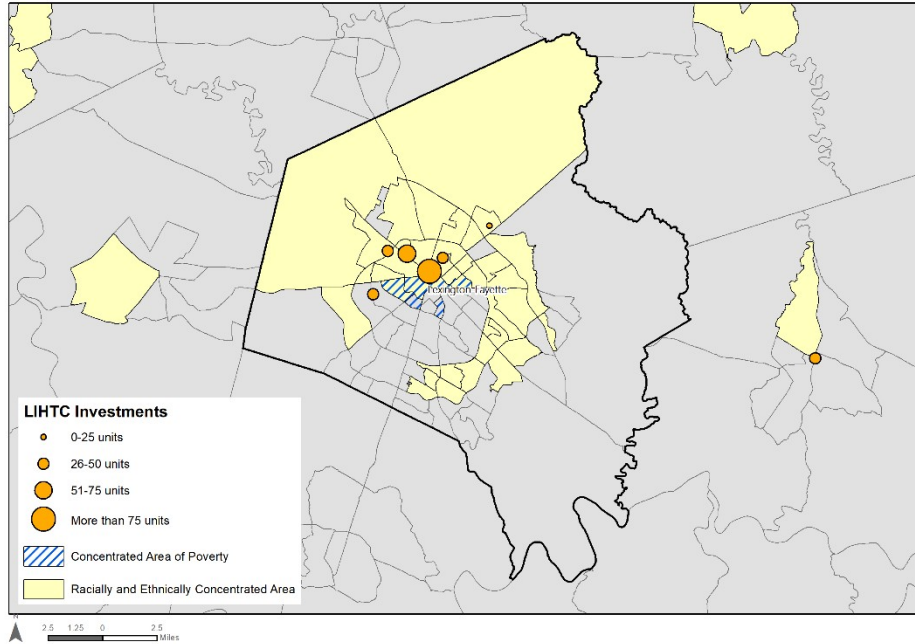
2020-2024 Commonwealth of Kentucky Analysis of Impediments to Fair Housing Choice Low Income Housing Tax Credit Investments, July 2016 - June 2018



Map 42 Low Income Housing Tax Credit Investments in Lexington-Fayette County, July 2016-June 2018

2020-2024 Commonwealth of Kentucky Analysis of Impediments to Fair Housing Choice

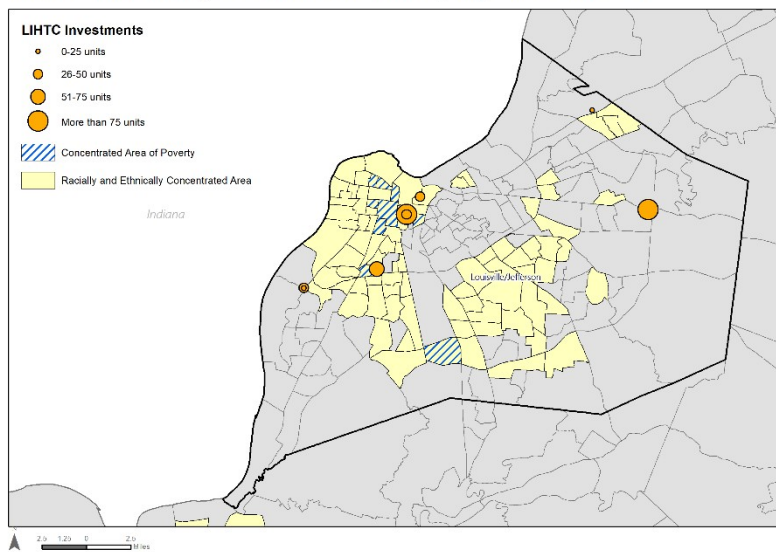
Low Income Housing Tax Credit Investments, July 2016 - June 2018



Map 43 Low Income Housing Tax Credit Investments in Louisville-Jefferson County, July 2016-June 2018

2020-2024 Commonwealth of Kentucky Analysis of Impediments to Fair Housing Choice

Low Income Housing Tax Credit Investments, July 2016 - June 2018



Unlike federal programs that provide grants or loans for housing development, the LIHTC program generates private equity from the sale of tax credits to assist with the hard and soft development costs of rental units. Generally, for-profit corporations such as banks purchase the credits based on current demand for them. In return, corporations receive an annual dollar-for-dollar reduction of federal taxes each year for the first ten years that units are in operation. Each year, the QAP must be approved by the Governor before the tax credits can be awarded by KHC to developers. Because the competition for tax credits is robust, tax credit developers design their rental housing projects to achieve maximum scoring under KHC's QAP priority scoring categories. The QAP has a major impact on what populations are served, the types of projects that will be undertaken and, indirectly, where rental housing is built or rehabilitated.

QAP policies across the country have changed in recent years to address issues central to a recent federal fair housing case, *The Inclusive Communities Project, Inc. v. Texas Department of Housing and Community Affairs* (N.D. Tex. 2010), in which a local affordable housing advocate challenged the Texas QAP. The Department of Housing and Community Affairs (TDHCA) is the housing finance agency for the State of Texas. The lawsuit alleged that TDHCA disproportionately approved tax credits for low-income housing in minority neighborhoods and denied applications for family tax credit housing in predominantly White neighborhoods. The plaintiff alleged that TDHCA's policy in awarding credits perpetuated racial segregation in violation of the Fair Housing Act. TDHCA argued that it prioritized tax credit applications for projects located in qualified census tracts (QCTs) in accordance with Section 42 of the Internal Revenue Code and that, as such, it was unavoidable that tax credit projects would be located in concentrated minority neighborhoods rather than predominantly White neighborhoods.

TDHCA's motion for summary judgment (i.e. dismissal of the case) was denied in 2010. Following a trial, the court found in March 2012 that actions taken by TDHCA in allocating tax credits had a disparate impact under the Fair Housing Act.

This finding was followed by an opinion issued by the Fifth Circuit Court of Appeals in March 2014, which determined that the correct legal standard to apply in disparate impact claims under the Fair

Housing Act is the standard recently adopted in HUD regulations regarding burdens of proof (24 CFR 100.500). These rules establish liability for practices with discriminatory effects, whether or not those practices are intentionally discriminatory. A practice has a discriminatory effect where it actually or predictably results in a disparate impact on a group of persons or creates, increases, reinforces, or perpetuates segregated housing patterns. In 2015, the United States Supreme Court held that “disparate-impact claims are cognizable under the Fair Housing Act.”

The results of this legal precedent perfectly summarizes the challenge of affirmatively furthering housing in cities, counties and states across the U.S.: balancing the creation of affordable housing in lower poverty and predominantly non-minority areas (i.e., higher opportunity areas) with the need to preserve affordable housing and improve the quality of life for residents in higher poverty and predominantly minority areas (i.e., lower opportunity areas). This is the context within which Kentucky’s 2019-2020 QAP was evaluated for purposes of the AI.

The QAP was reviewed to determine the presence of five tax credit allocation priorities meant to incentivize developers to create LIHTC developments in locations with lower poverty rates and higher opportunity.³ The five allocation priorities included:

- High-opportunity neighborhoods
- Access to amenities
- Approval by the community
- Furthering investment in blighted neighborhoods
- Avoiding concentrations of affordable housing

The total annual tax credit authority for Kentucky in 2019 was roughly \$12 million. The set-asides established in the QAP reflect distinctions in specific needs and county market conditions (SOAR counties and Greatest Job Growth counties) as determined by KHC. For 2019-2020, the QAP stated five

³The five allocation priorities are found in “Effect of QAP Incentives on the Location of LIHTC Properties” published by the U.S. Department of Housing & Urban Development, Office of Policy Development & Research (April 2015).

set-asides: 9% of the credits for nonprofit supportive housing, 35% for preservation of existing affordable housing properties (including historic adaptive re-use projects), 42% for new housing construction split between urban areas (64%) and rural areas (36%), 0.5% for projects maximizing outcomes, and 14% for projects demonstrating innovation. In addition, the QAP has set-aside \$1.2 million for the redevelopment of Beecher Terrace, Louisville Metro Housing Authority's Choice Neighborhood initiative. Each of the five allocation priorities listed above are reviewed below as they relate to Kentucky's 2019-2020 QAP.

High-opportunity neighborhoods refer to areas that are typically suitable for long-term growth with existing or planned infrastructure in the vicinity of quality schools and employment opportunities. The significance of locating LIHTC developments in high-opportunity areas is that these are also areas with lower poverty rates. Exercising fair housing choice means having the opportunity to move to another neighborhood that offers economic opportunity, proximity to the workplace, better schools, and a safer and more secure environment should a lower income household *choose* to move. Affirmative moves from R/ECAP areas to lower poverty areas of opportunity help to break down patterns of segregation. KHC fosters this goal by awarding for three specific criteria.

First, three points are awarded to developments proposed in SOAR⁴ counties or in counties designated as "greatest job growth" counties. Second, seven points are awarded to family LIHTC developments proposed in areas with strong schools (defined as having a combined reading and math proficiency score of 61.5 or higher) as rated by the 2016-2017 Department of Education ratings. Third, projects proposed in urban areas located in census tracts with poverty rates below the State poverty rate of 18.5% will receive 0.20 points for every 1% lower the census tract poverty rate is than the State rate for a maximum of 3.7 points.

Similar to the previous priority, 5 points are awarded for access to amenities such as health care services, specifically, general health care practitioners, walk-in clinics (excluding specialists), or hospitals. For

⁴ Designated counties that are part of the Shaping Our Appalachian Region (SOAR) initiative in Eastern Kentucky established in 2014 to modernize how the Commonwealth supports high-tech, high-growth potential businesses.

urban sites, the facility must be located within three miles of the project site; for rural sites, within 20 miles of the project site.

With regard to local community approval and the potential for not-in-my-backyard opposition, the fair housing rule of thumb is that a housing project financed with public funding sources should not be subjected to a higher standard of public notification and/or approval process than privately financed housing. Different treatment on this basis is discriminatory if the tenants of a proposed development will be members of the protected classes (families with children, persons with disabilities, minorities, etc.).

A community's land use regulations should be the sole determining factor in deciding whether a public meeting is required. If an apartment building is permitted by right in a certain location, a public hearing is typically not required. The method of financing (i.e., conventional market-rate financing versus tax credit equity or other public subsidies) should not be a factor for consideration when deciding whether a public meeting is required.

Project notification requirements are evident in Section 42(m)(1)(A)(ii) of the Internal Revenue Code. In accordance, KHC is required to notify the chief executive officers (or the equivalent) of local jurisdictions where projects to receive credits are located and provide the officials a reasonable opportunity to comment on the projects. Within the KHC QAP, there is no scoring category that requires applicants to notify local officials and/or neighborhood groups within a buffer of the proposed site, a requirement that generally increases the likelihood that the project will be derailed through political intervention or public opposition.

In some cases, careful and coordinated planning involving revitalization of deteriorated structures and conditions in some areas can spur new investment in blighted neighborhoods and enhance living conditions for residents. New LIHTC projects are frequently part of the equation for this type of initiative, providing new quality and affordable housing for longtime residents. The QAP can be a useful and

valuable tool in guiding LIHTC investment, particularly when it is part of a broader comprehensive community plan. HUD's Choice Neighborhood Initiative is one example of how this can be achieved. The KHC QAP awards three points for projects located in urban QCTs with a plan for a defined target area where other investments will occur or have occurred. This requirement is specific to plans that are formally recognized and/or adopted for revitalization, community development, and/or economic development. The plan must have been created or updated within the previous five years and demonstrate a need for multi-family units.

The QAP also includes a separate and specific \$1.2 million set-aside for Louisville Metro Housing Authority's Choice Neighborhood project involving the redevelopment of the Beecher Terrace public housing community in the Russell neighborhood. In addition to replacing the 1939-era units with 620 modern units, the project will include commercial uses on street-level floors and a renovated and expanded community center adjacent to a park.

One of the desired outcomes of the lawsuit filed by The Inclusive Communities Project against the Texas Department of Housing and Community Affairs was to avoid concentrations of affordable housing created through the LIHTC program in predominantly minority areas with high poverty. The KHC QAP penalizes urban projects that are proposed to be located within 0.5 miles of a KHC-approved LIHTC project approved in the previous two years, is not yet placed in service, and targets the same tenants; for rural projects, the distance is 3.0 miles. Up to five points will be deducted for projects that fall within these distances.

The KHC QAP affirmatively furthers fair housing with several additional allocation priorities that affirmatively further fair housing and for which points can be awarded to applicants. These include giving priority to local public housing authority waiting list applicants, making units accessible to persons with disabilities (including the elderly), and projects with tenant selection plans that commit to giving priority to veterans.

The KHC QAP awards three points for projects providing notification of LIHTC project vacancies to public housing authorities and giving priority to households on its waiting lists. Providing a preference for applicants on waiting lists for public housing or Housing Choice Vouchers in a LIHTC project promotes expansion of housing choice for the lowest income households in an area by ensuring some of these households will have access to the new subsidized units.

Expanding the supply of affordable housing that is accessible to persons with disabilities is a goal of the KHC QAP as it requires each awarded project to target 10% of the units for persons with disabilities by making them fully accessible. This is in addition to the units required to be Uniform Federal Accessibility Standards (UFAS)-compliant and those provided for visually- and hearing-impaired tenant households.

Finally, the QAP awards up to seven points for senior projects with aging-in-place design features. At least five of the seven listed features must be included in the units to accommodate elderly tenants with the option of remaining in their unit for as long as possible.

Overall, the KHC QAP includes significant provisions for developer incentives to expand housing choice in higher opportunity areas. In a large rural state like Kentucky, however, the need for creating new, decent and safe affordable housing in rural areas is also great. KHC appears to strike a balance between the two.

Olmstead Housing Initiative

The Olmstead Housing Initiative is a partnership between KHC and the Cabinet for Health and Family Services, Department for Behavioral Health and Developmental and Intellectual Disabilities (DBHDID). The goal of this initiative is to address the need for housing for people who are currently in, or at risk of entering, institutions such as psychiatric hospitals or personal care homes, or who have a history of frequent institutionalizations. Implementing this program enables Kentucky to meet the mandates of the U.S. Supreme Court's 1999 landmark decision in *Olmstead v. L.C.*, which found the unjustified segregation of people with disabilities is a form of unlawful discrimination under the Americans with Disabilities Act (ADA). The case asserted that the civil rights of people with disabilities included the right

to community-based care and services as an alternative to long periods of institutionalization. DBHDID is currently implementing a plan to transition at least 1,275 individuals with serious mental illnesses from personal care homes to the community under a second amended settlement agreement (SASA) entered into with Kentucky Protection and Advocacy (KP&A). KP&A, an independent State agency, is a client-directed legal rights agency that protects and promotes the rights of persons with disabilities. Per the SASA Administrator Q5 Report, as of December 31, 2019, 1,187 individuals have been provided housing assistance since the inception of the SASA (in October 2018).

Language Access Plans

HUD's guidance relative to Executive Order 13166, "Improving Access to Services for Persons with Limited English Proficiency (LEP)," stipulates that a community can achieve compliance by providing certain language assistance services for LEP language groups with more than 1,000 persons or 1% of the population to be served. As noted earlier in the AI, the largest LEP language throughout Kentucky is Spanish, which is spoken by 48,214 persons or 1.16% of the population based on 2017 ACS data.

HUD grantees are responsible for serving persons with LEP and who may be income-eligible for services and programs in accordance with Title VI of the Civil Rights Act of 1964. Preparation of a Language Access Plan (LAP) is the most effective way to achieve compliance. KHC adopted a LAP effective January 1, 2012. DLG adopted its Language Access Plan in June 2018. Both of these documents were reviewed for the AI.

In the KHC LAP, it clearly states its obligation to provide services, financial assistance and other benefits to residents regardless of their nation of origin and will make reasonable efforts to provide free language assistance services to clients. In determining which languages meet the stated thresholds, KHC conducted a four-factor analysis as required by HUD. The 2012 LAP estimated that 3% of State residents were of Hispanic or Latino origin. Considered in conjunction with an estimate of the frequency of contact, it was determined that native Spanish-speakers were the most likely to be served. Among the services that KHC will provide to persons with LEP are the following:

- The right to LEP services at no cost with the safeguards of confidentiality

- Posting of multi-lingual signs in public spaces
- Use of automated Spanish telephone services
- Use of multi-lingual notices for outreach activities
- Notices of right to language assistance services on KHC's webpage
- Use of the I-Speak cards

The LAP clearly states how interaction with LEP clients via oral communication will proceed. Staff will assist in identifying the spoken language and coordinate with the Fair Housing Coordinator to obtain the appropriate services. Bilingual office staff may be used as informal interpreters; however, formally certified interpreters will be made available if required. Translation of vital documents can be provided as well as translated summaries, where appropriate. The LAP also includes a provision that KHC will annually review the document to determine if revisions are necessary, including in light of demographic changes.

KHC staff training is required annually for staff having the occasion to interact with persons with LEP. The Fair Housing Coordinator monitors the training and the delivery of language assistance services. Subrecipients of federal funds received through KHC are required to ensure access to language assistance services for their program beneficiaries. Such services are to be provided free to eligible clients and the Fair Housing Coordinator is available to assist with these services. In addition, the appendix of the LAP includes a list of formal interpreters who may be contacted for assistance.

KHC could enhance its LEP services by considering where higher rates of persons with LEP reside across the Commonwealth. For example, Jefferson County and Fayette County accounted for 37% of Kentucky's Hispanic or Latino residents in 2017. In this case, a higher level of language assistance and outreach may be warranted than in the rural counties. A list, updated annually, of the languages spoken at home by persons with LEP for all counties in Kentucky (similar to DLG's LAP) would be a useful tool to include in the KHC LAP. Lastly, although KHC includes a provision to review its LAP annually, the 2012 version reviewed for the AI is the most current version available. Reviewing the LAP should occur annually with updates determined by a shift in demographics and the results of monitoring the implementation of the LAP for its effectiveness in achieving its objectives.

In the DLG LAP, similar recognition of the department's requirement to provide language assistance to LEP populations is included. DLG requires that its sub-recipients use the same four-factor analysis prior to the release of federal funds since DLG does not provide direct financial assistance to individuals. Sub-recipient local units of government or nonprofit organizations would encounter persons with LEP and, therefore, must be able to address their language assistance needs. DLG does, however, recognize that persons with LEP may have the need to interact with its staff during the public comment period. Upon request, DLG will make available translations of annual plans and amendments for its federal grant programs.

Sub-recipients are required to conduct a four-factor analysis, develop a LAP, and provide a description of the outreach efforts to be undertaken during the Letter of Conditional Commitment stage. DLG specifies the required measures that sub-recipients are required to take if the four-factor analysis reveals 1,000 or more persons, or 5% or more of the population, with LEP: translation of vital documents, posting of public hearing notices in the languages spoken and in locations frequented by persons with LEP, and providing translation of services at public hearings if requested to do so. There are lesser requirements when the LEP population is smaller. DLG monitors its sub-recipients for compliance with these requirements. Included in Appendix B of the LAP includes is a list of the languages spoken at home by persons with LEP for all counties in Kentucky.

Like KHC, although LAP includes a provision to review its LAP annually, the 2018 version reviewed for the AI is the most current version available. Reviewing the LAP should occur annually with updates determined by a shift in demographics and the results of monitoring the implementation of the LAP for its effectiveness in achieving its objectives.

6. Private Sector Policy Analysis

In addition to the public sector policies that influence fair housing choice, there are private sector policies that can influence the development, financing, and advertising of real estate. For the purposes of the AI, mortgage lending practices are analyzed.

Mortgage Lending Analysis

Unfettered access to fair housing choice requires impartial and equal access to the mortgage lending market. The Fair Housing Act prohibits lenders from discriminating against members of the protected classes in granting mortgage loans, providing information on loans, imposing the terms and conditions of loans (such as interest rates and fees), conducting appraisals, and considering whether to purchase loans. An analysis of mortgage applications and their outcomes can identify possible discriminatory lending practices and patterns in a community.

Under the terms of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (F.I.R.R.E.A.), any commercial lending institution that makes five or more home mortgage loans must report all residential loan activity to the Federal Reserve Bank under the terms of the Home Mortgage Disclosure Act (HMDA). HMDA regulations require most institutions involved in lending to comply and report information on loans denied, withdrawn, or incomplete by race, sex, and income of the applicant. The information from the HMDA statements assists in determining whether financial institutions are serving the housing needs of their communities. The data also helps to identify possible discriminatory lending practices and patterns.

The most recent HMDA data available for Kentucky is from 2015 to 2017 and at the county level. Reviewing this data helps to determine the need to encourage area lenders, other business lenders, and the community at large to actively promote existing programs and develop new programs to assist residents in securing home mortgage loans for home purchases. The data focus on the number of homeowner mortgage applications received by lenders for home purchase of one- to four-family dwellings and manufactured housing units across the Commonwealth. The information provided is for the primary applicant only. Co-applicants were not included in the analysis. In addition, where no

information is provided or categorized as not applicable, no analysis has been conducted due to lack of information. Table 20 summarizes three years of HMDA data by race, ethnicity, and action taken on the applications. Household incomes were determined by whether an applicant's income was greater or less than the median household income of the census tract where the housing unit to be purchased was located. In Kentucky, there were a total of 273,825 mortgage applications made between 2015 and 2017. Of these, 72,544 (26.5%) were denied.

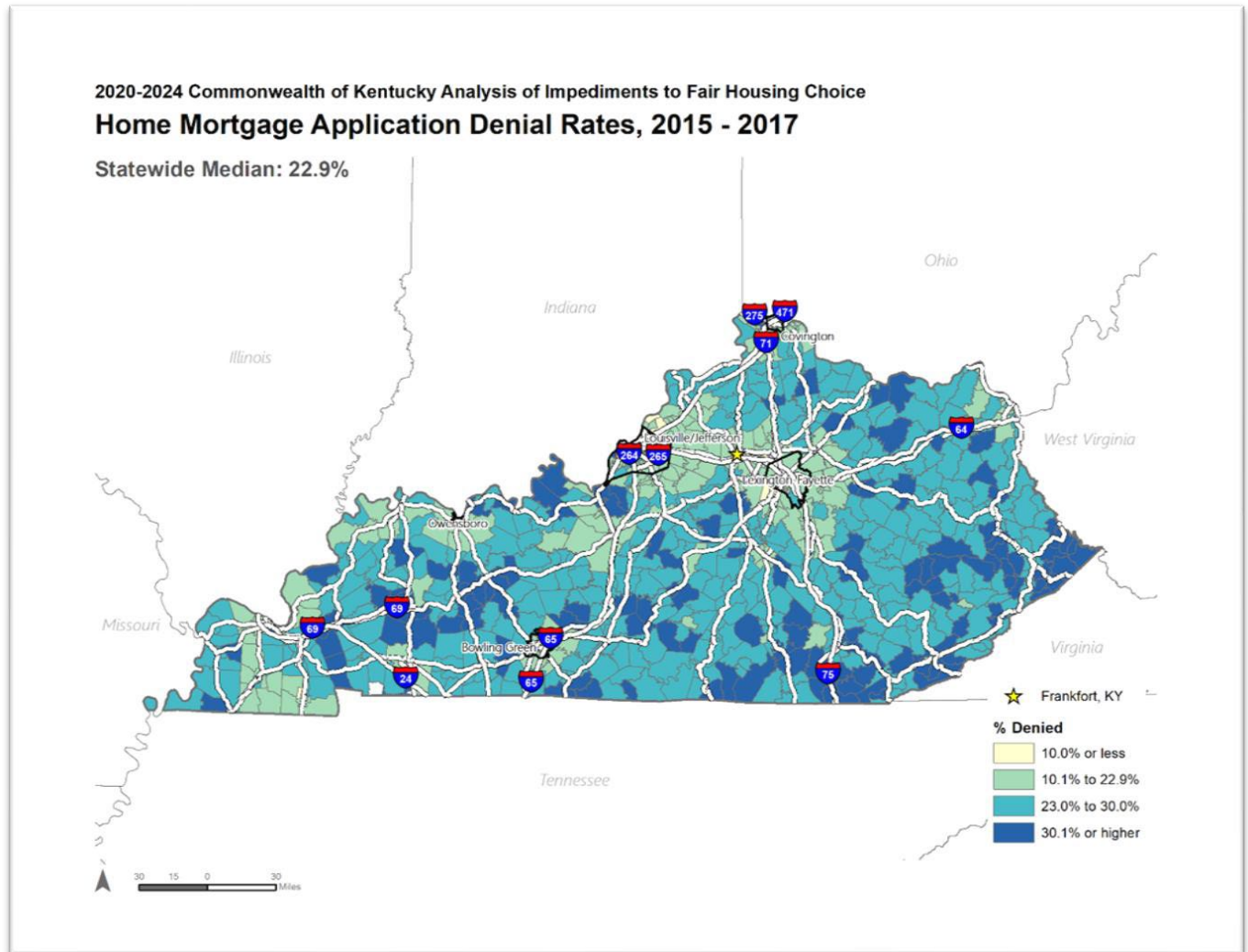
There were differences between racial and ethnic groups by income level in the rates of denied mortgage loans. Upper income Asian applicants had the lowest denial rate at 13.3% with upper income Native Hawaiian/Other Pacific Islander at 18.2%, and upper income White households slightly higher at 19.8%. Upper income Native American and upper income Black households were denied mortgages at higher rates of 26.1% and 29.7%, respectively, as were upper income Hispanic/Latino households (24.5%).

Notably, the denial rate for *lower* income Asian applicants (22.5%) was less than the denial rate for *upper* income Black applicants (29.7%), upper income Native American applicants (26.1%) and Hispanic/Latino applicants (24.5%).

Table 20 Mortgage Originations by Race/Ethnicity and Income, 2015-2017

| | Income Level* | Applications | Denials | % Denied |
|--|---------------|--------------|---------|----------|
| White | Lower Income | 109,367 | 33,602 | 30.7% |
| | Upper Income | 123,092 | 24,322 | 19.8% |
| Black | Lower Income | 6,780 | 2,573 | 37.9% |
| | Upper Income | 4,307 | 1,281 | 29.7% |
| Asian | Lower Income | 1,779 | 400 | 22.5% |
| | Upper Income | 1,922 | 256 | 13.3% |
| Native Hawaiian or Other Pacific Islander | Lower Income | 251 | 84 | 33.5% |
| | Upper Income | 187 | 34 | 18.2% |
| Native American | Lower Income | 578 | 306 | 52.9% |
| | Upper Income | 746 | 195 | 26.1% |
| Information Not Provided | Lower Income | 11,849 | 5,368 | 45.3% |
| | Upper Income | 12,967 | 4,123 | 31.8% |
| Hispanic or Latino | Lower Income | 3,932 | 1,313 | 33.4% |
| | Upper Income | 1,916 | 469 | 24.5% |
| Total | Lower Income | 130,604 | 42,333 | 32.4% |
| | Upper Income | 143,221 | 30,211 | 21.1% |
| | Total | 273,825 | 72,544 | 26.5% |

Map 44 Home Mortgage Denial Rates in Kentucky, 2015-2017



Geographic patterns of loan denial rates reveal rates higher than the State median of 22.9% with the highest rates found outside urbanized areas throughout Kentucky. Of the 273,825 loan applications made during this period, 9% did not include race or ethnicity data on the primary applicant. The denial rates for this category were relatively high: 45.3% among lower income applicants and 31.8% among upper income applicants.

Of the total 72,544 denied mortgage applications, 43,705 (60%) were provided with a reason for denial. The most frequently cited reason for denial was poor credit history, followed by high debt-to-income ratios and lack of adequate collateral (the value of house appraised for less than the mortgage amount requested). Nearly 75% of denials fall into one of these three categories.

Table 21 Reasons for Denial of Mortgage Loans, 2015-2017

| Denial Reason | # | % |
|--|--------|--------|
| Collateral | 8,472 | 19.4% |
| Credit application incomplete | 5,666 | 13.0% |
| Credit history | 14,407 | 33.0% |
| Debt-to-income ratio | 9,020 | 20.6% |
| Employment history | 823 | 1.9% |
| Insufficient cash (downpayment, closing costs) | 1,095 | 2.5% |
| Mortgage insurance denied | 36 | 0.1% |
| Other | 2,951 | 6.8% |
| Unverifiable information | 1,235 | 2.8% |
| Total | 43,705 | 100.0% |

Source: Consumer Financial Protection Bureau HMDA database, 2015 - 2017

The widespread housing market crisis of 2008 has brought a new level of public attention to lending practices that victimize vulnerable populations. Subprime lending, designed for borrowers who are considered a credit risk, has increased the availability of credit to low-income persons. At the same time, subprime lending has often exploited borrowers, piling on excessive fees, penalties, and interest rates that make financial stability difficult to achieve. Higher monthly mortgage payments make housing less affordable, increasing the risk of mortgage delinquency and foreclosure and the likelihood that properties will fall into disrepair.

Some subprime borrowers have credit scores, income levels, and down payments high enough to qualify for conventional, prime loans, but are nonetheless steered toward more expensive subprime mortgages. This is especially true of minority groups, which tend to fall disproportionately into the category of subprime borrowers. The practice of targeting minorities for subprime lending qualifies as mortgage discrimination.

Since 2005, HMDA data has included price information for loans priced above reporting thresholds set by the Federal Reserve Board. This data is provided by lenders via Loan Application Registers and can

be aggregated to complete an analysis of loans by lender or for a specified geographic area. HMDA does not require lenders to report credit scores for applicants, so the data does not indicate which loans are subprime. It does, however, provide price information for loans considered “high-cost.”

A loan is considered high-cost if it meets one of the following criteria:

- A first-lien loan with an interest rate at least three percentage points higher than the prevailing U.S. Treasury standard at the time the loan application was filed. The standard is equal to the current price of comparable-maturity Treasury securities.
- A second-lien loan with an interest rate at least five percentage points higher than the standard.

Not all loans carrying high APRs are subprime, and not all subprime loans carry high APRs. However, high-cost lending is a strong predictor of subprime lending, and it can also indicate a loan that applies a heavy cost burden on the borrower, increasing the risk of mortgage delinquency and eviction.

From 2015 to 2017, there were 21,593 high-cost mortgages approved throughout Kentucky, representing 9.7% of all mortgages in the Commonwealth during this period. Among approved lower income applicants, 12.8% received high-cost mortgages compared to 7.1% of upper income applicants. Analyzed by race, lower income White and Native American applicants had higher rates of high-cost loans at 13.2% and 19.5%, respectively. Among upper income applicants, only Black households had a higher rate (8.6%) than the State rate.

Table 22 High Cost Loans by Race, Ethnicity and Income in Kentucky, 2015-2017

| | Income Level* | High-cost Originations | Total Originations | Percent High-cost |
|---|---------------|------------------------|--------------------|-------------------|
| White | Lower Income | 11,532 | 87,297 | 13.2% |
| | Upper Income | 7,855 | 106,625 | 7.4% |
| Black | Lower Income | 618 | 4,825 | 12.8% |
| | Upper Income | 285 | 3,311 | 8.6% |
| Asian | Lower Income | 95 | 1,474 | 6.4% |
| | Upper Income | 32 | 1,698 | 1.9% |
| Native Hawaiian or Other Pacific Islander | Lower Income | 18 | 185 | 9.7% |
| | Upper Income | 8 | 161 | 5.0% |
| Native American | Lower Income | 66 | 338 | 19.5% |
| | Upper Income | 38 | 589 | 6.5% |
| Information Not Provided | Lower Income | 658 | 7,139 | 9.2% |
| | Upper Income | 388 | 9,232 | 4.2% |
| Hispanic or Latino | Lower Income | 312 | 2,931 | 10.6% |
| | Upper Income | 107 | 1,554 | 6.9% |
| Total | Lower Income | 12,987 | 101,258 | 12.8% |
| | Upper Income | 8,606 | 121,616 | 7.1% |
| | Total | 21,593 | 222,874 | 9.7% |

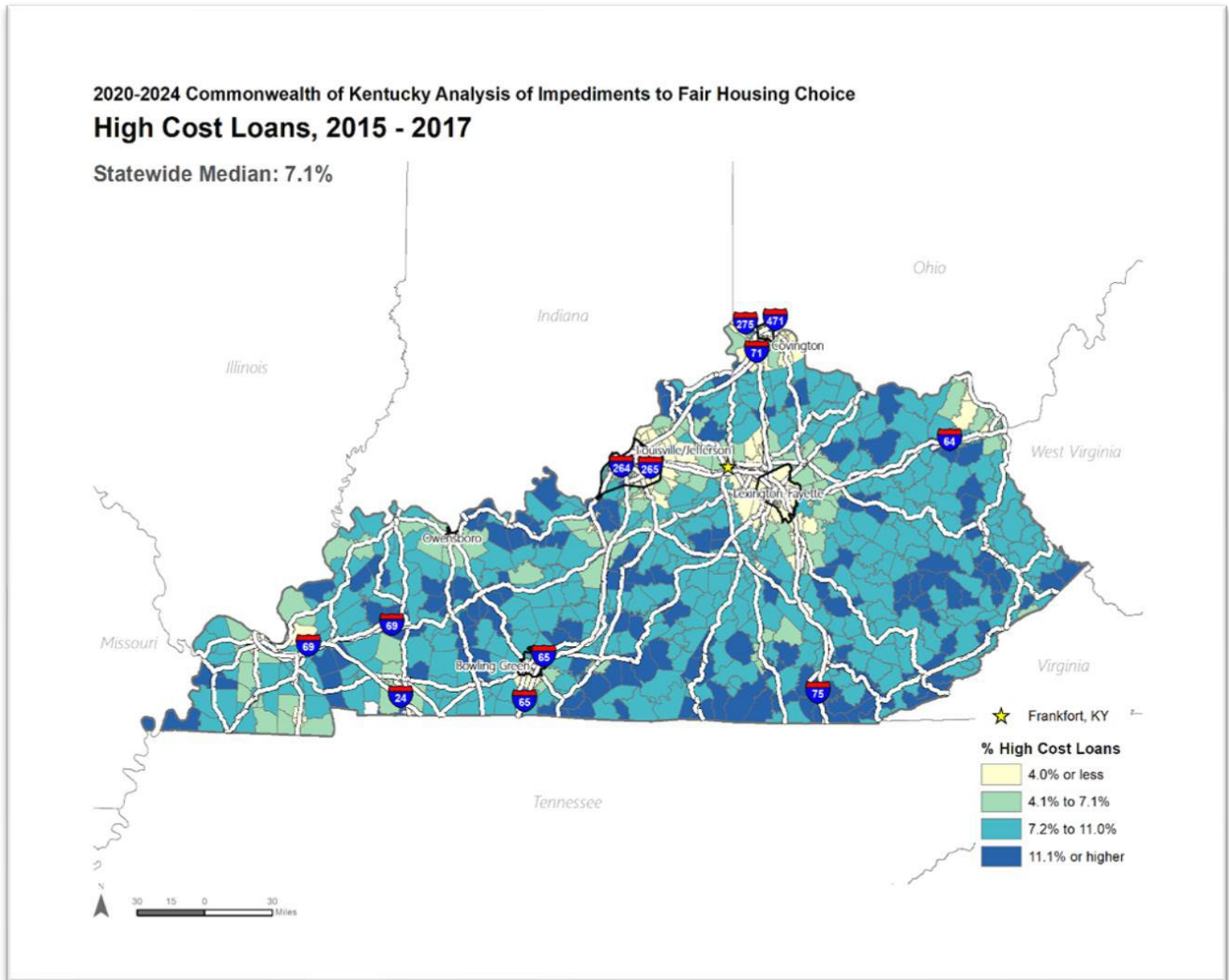
*Based on the median income for the census tract where the home was located.

Source: Consumer Financial Protection Bureau HMDA database, 2015 - 2017

Similar to the geographic patterns in mortgage denials, higher rates of high-cost loan approvals are found predominantly in the rural counties of Kentucky.

Overall, the findings revealed in this section are inconsistent with fair housing provisions but a judgment as to their declaration of being an impediment cannot be made in the absence of better data, which is not available through HMDA or other sources. These findings do, however, reveal a continuing need for fair housing education and outreach, home ownership counseling and credit counseling for homebuyers.

Map 45 High Cost Mortgage Loans in Kentucky, 2015-2017



7. Fair Housing Profile

This section provides a review of the existence of fair housing complaints or compliance reviews where a charge of a finding of discrimination has been made. Additionally, this section will review the existence of any fair housing discrimination suits filed by the United States Department of Justice or private plaintiffs in addition to the identification of other fair housing concerns or problems.

Kentuckians can receive fair housing services from a variety of organizations, including but not limited to HUD, the Kentucky Commission on Human Rights, and, in some areas, the Lexington Fair Housing Council, Inc. This section summarizes the fair housing organizations and analyzes the existence of fair housing complaints or compliance reviews where a charge of a finding of discrimination has been made.

Housing Discrimination Complaints

A lack of filed complaints does not necessarily indicate a lack of housing discrimination. Some persons may not file complaints because they are not aware of how to go about filing a complaint or where to go to file a complaint. In a tight rental market, tenants may want to avoid confrontations with prospective landlords. Discriminatory practices can be subtle and may not be detected by someone who does not have the benefit of comparing his treatment with that of another home seeker.

Other times, persons may be aware that they are being discriminated against, but they may not be aware that the discrimination is against the law and that there are legal remedies to address the discrimination. Finally, households may be more interested in achieving their first priority of finding decent housing and may prefer to avoid going through the process of filing a complaint and following through with it. Therefore, education, information, and referral regarding fair housing issues remain critical to equip persons with the ability to reduce impediments.

U.S. Department of Housing & Urban Development

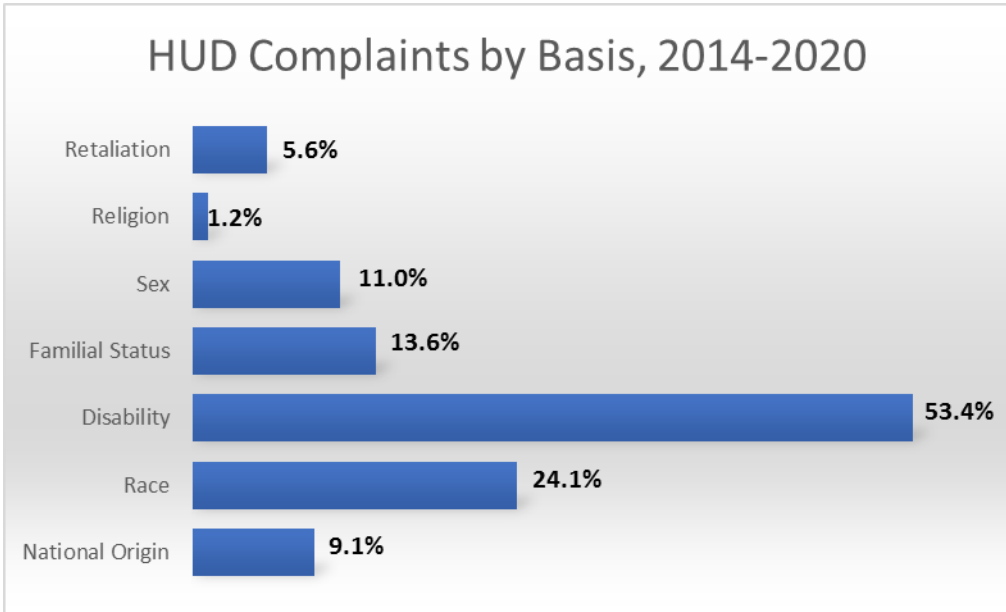
The Office of Fair Housing and Equal Opportunity (FHEO) at HUD receives complaints from persons regarding alleged violations of the federal Fair Housing Act. Fair housing complaints originating in Kentucky were obtained and analyzed for the period of January 2014 through January 2020. In total, there were 772 complaints filed with HUD during this period. The volume of cases was roughly consistent across years with a minimum of 105 cases filed in 2018 and a maximum of 160 cases filed in 2016. Eleven cases have been filed to date in 2020, and there are 84 unresolved cases.

HUD provided information on the geographic distribution of cases. Disability was the most common basis alleging discrimination, accounting for more than half of all complaints filed during this period. The second most frequent basis alleging discrimination was race. This mirrors national trends of disability and race being the two most frequently cited types of housing discrimination, according to the *2019 Fair Housing Trends Report* published by the National Fair Housing Alliance. Of the 772 complaints filed by Kentuckians, 128 (16.6%) were filed on two or more bases; as a result, the figure below reflects a total greater than the number of complaints filed.

Table 23 Housing Discrimination Complaints Filed with HUD, 2014-2020

| HUD Complaints by Basis and Year, 2014-2020 | | | | | | | |
|---|-----------------|--------------|--------------|-----------------|--------------|-------------|-------------|
| Year | National Origin | Race | Disability | Familial Status | Sex | Religion | Retaliation |
| 2014 | 14 | 33 | 44 | 21 | 11 | 2 | 8 |
| 2015 | 11 | 32 | 74 | 21 | 14 | 3 | 4 |
| 2016 | 19 | 49 | 77 | 17 | 15 | 3 | 9 |
| 2017 | 11 | 19 | 83 | 10 | 12 | 1 | 7 |
| 2018 | 7 | 27 | 54 | 17 | 17 | 0 | 3 |
| 2019 | 8 | 25 | 73 | 18 | 15 | 0 | 11 |
| 2020 | 0 | 1 | 7 | 1 | 1 | 0 | 1 |
| Total | 70 | 186 | 412 | 105 | 85 | 9 | 43 |
| Percent | 9.1% | 24.1% | 53.4% | 13.6% | 11.0% | 1.2% | 5.6% |

Table 24 Bases for Alleging Housing Discrimination among Complaints Filed with HUD, 2014-2020



Across all complaints filed with HUD, discriminatory terms, conditions, or services and facilities was the most commonly cited issue, factoring into over 75% of all cases. Failure to make reasonable accommodations accounted for nearly one-third of all cases. The majority of cases involved more than one issue.

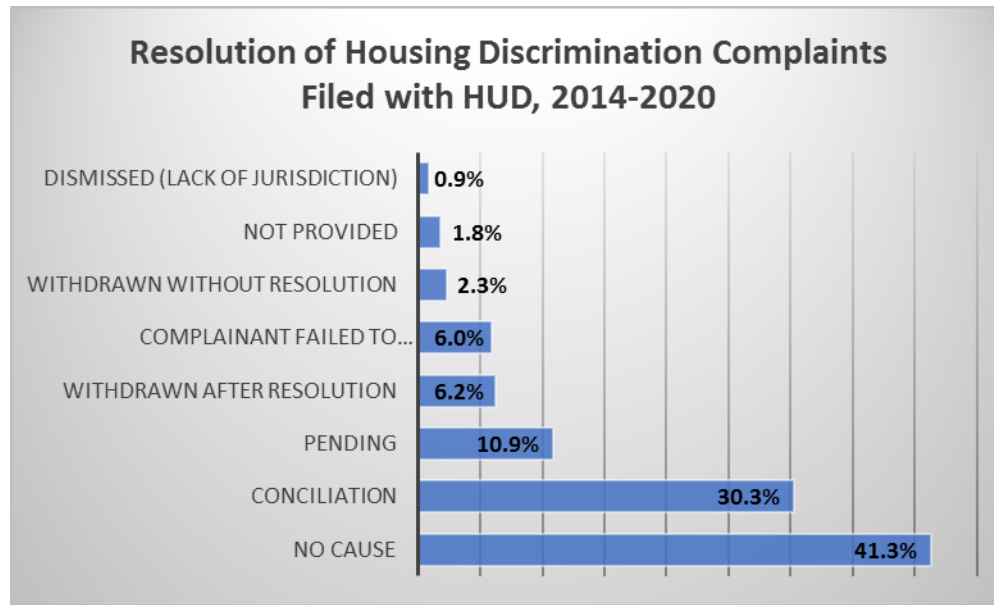
Table 25 Housing Discrimination Complaints by Issues, 2014-2020

| Housing Discrimination Complaints by Issue Filed with HUD, 2014-2020 | | |
|---|------------------|------------------------|
| Issue | Citations | % of Complaints |
| Terms, conditions, privileges, or services and facilities | 584 | 75.6% |
| Failure to permit/make reasonable modification/accommodation | 247 | 32.0% |
| Refusal to rent and negotiate for rental | 169 | 21.9% |
| Discriminatory acts under Section 818 (coercion, etc.) | 142 | 18.4% |
| Otherwise deny or make housing unavailable | 83 | 10.8% |
| Advertising, statements, and notices | 58 | 7.5% |
| Other | 33 | 4.3% |
| Financing and/or lending | 14 | 1.8% |
| Refusal to sell and negotiate for sale | 8 | 1.0% |
| Failure to provide accessible and usable public and common user areas | 6 | 0.8% |
| Discriminatory acts under Section 901 (criminal) | 4 | 0.5% |
| Using ordinances to discriminate in zoning and land use | 3 | 0.4% |
| Refusing to provide municipal services or property | 2 | 0.3% |

Source: HUD FHEO

Of the complaints reviewed, 319 (41.3%) were found to be without probable cause. Just over 30% of cases resulted in a negotiated settlement. Eighteen cases (2.3%) were withdrawn without resolution. Two 2012 cases ended in court filings, and both were resolved through the court system in 2016.

Table 26 Resolution of Housing Discrimination Complaints filed with HUD, 2014-2020



Kentucky Commission on Human Rights

The Kentucky Commission on Human Rights (KCHR) is responsible for the enforcement of federal fair housing laws, undertaking the mediation/conciliation and litigation of housing discrimination complaints, and enforcing the Kentucky Civil Rights Act. The Kentucky Civil Rights Act makes it unlawful to discriminate against people in the areas of employment, financial transactions, housing and public accommodations. Housing discrimination is prohibited on the basis of race, color, religion, national origin, gender, disability and familial status. It is also a violation of the law to retaliate against a person for complaining of discrimination to the commission.

KCHR is a "substantially equivalent agency" under HUD's Fair Housing Assistance Program (FHAP). This means that KCHR has been certified as substantially equivalent after HUD determined that the Commission administers a law (i.e., the Kentucky Civil Rights Act) which provides rights, procedures, remedies and judicial review provisions that are substantially equivalent to the Fair Housing Act. For this reason, HUD refers complaints of housing discrimination that it receives from Kentucky residents to the KCHR for investigation. Housing discrimination complaint data from the KCHR are accounted for in the complaints filed with HUD FHEO.

According to KCHR, recent trends over the past two years involving discriminatory behavior against persons with emotional support animals (ESAs) reflects increasing discrimination against persons with disabilities. Resistance from housing providers in the form of “no pet” policies, requiring pet deposits and establishing animal breed, size and weight policies (even though ESAs are not considered pets under fair housing laws) are reflected in many of the inquiries and complaints filed with KCHR. The commission provides fair housing education and outreach through radio spots, on signs, and through its partners across the Commonwealth. KHRC also expressed a desire to engage more actively with state-level agencies such as KHC and DLG. For example, through job shadowing with these two agencies, KCHR would be able to learn from staff members how the Commission could work through KHC and DLG for referrals in areas where fair housing education and outreach is needed.

KCHR also identified a need to conduct an informational blitz across Kentucky with the goal of reaching out to judges and the court system to learn how the Commission could assist them with legal issues, such as eviction if the eviction is the result of a discriminatory act. In the smaller, rural counties where month-to-month leases are more common, tenants may be at greater risk for eviction as a result of discrimination.

Lexington Fair Housing Council

The Lexington Fair Housing Council (LFHC) is a full-service, nonprofit civil rights agency committed to eradicating discrimination in housing. The Fair Housing Council enforces the federal Fair Housing Act, the Kentucky Fair Housing Act, and local fair housing ordinances, where applicable. The LFHC is the only private nonprofit fair housing agency in Kentucky and investigates complaints throughout the Commonwealth. The Council is certified as a Fair Housing Initiatives Program (FHIP) through HUD to assist people who believe they have been victims of housing discrimination. LFHC refers discrimination complaints received to the US Department of Justice, HUD FHEO, and KCHR. LFHC participates in the Private Enforcement Initiative (PEI) program, which means it implements initiatives that promote fair housing laws and equal housing opportunity awareness.

LFHC provided a summary of fair housing cases for which assistance was provided without a formal complaint being filed. Between 2014 and 2018, LFHC provided data on 653 such cases, most of which

included emotional support animals and reasonable accommodation requests. Comparable to national and state trends, disability was the most frequent issue accounting for 59% of all inquiries. This was followed by race, national origin and gender/sex, each of which reflected approximately 11% of all inquiries.

Across Kentucky, LFHC would want to reach more rural counties with fair housing education and outreach. Like KCHR, LFHC believes some evictions may be the result of discriminatory behavior caused by landlords, with minorities potentially being impacted more than non-minorities. Some evictions may also be caused by discrimination against persons with disabilities, especially people with mental illness. More training for realtors is also needed to increase educational opportunities and prevent steering of homebuyers.

LFHC has had an established partnership with KHC for about 15 years. In addition to responding to fair housing issues raised by KHC, LFHC provides an annual training in April for KHC staff.

KHC Multi-Cultural Coordinator

Approximately five years ago, KHC created the position of a Multi-Cultural Coordinator to address the diversifying population across Kentucky. Specifically, KHC wanted to ensure that people with limited English proficiency (LEP) could access its programs and services. In addition, Spanish speakers were complaining to KHC that the agency was not adequately addressing their population. As one of the fastest-growing states for immigrants and new Americans, KHC wanted to be positioned at the forefront of the Commonwealth's shifting demographics. One way to achieve this goal was to prepare human resources within KHC itself to reflect statewide demographics and meet the challenge of diversity.

One of the service areas where KHC initiated this mission was with their mortgage lending products. As a result of a strong outreach and educational program, KHC experienced an increase in minority loan approvals from 10% of all loan approvals in 2010 to 25% in 2019. KHC believes this rate may be higher, however, since not all applicants reveal their minority status on the application form. KHC has capitalized on this opportunity to incorporate financial literacy programs through its partners across Kentucky.

8. Summary of Impediments to Fair Housing Choice

This section describes the impediments to fair housing choice that emerged from the data analysis, public engagement/outreach initiatives, and policy review discussed throughout the AI. The impediments are the results of primary and secondary research that define the underlying conditions, trends, and context for fair housing planning in Kentucky. The impediments are listed separately for the Commonwealth of Kentucky and local municipalities, including counties, which as subrecipients of DLG funds also have an obligation to affirmatively further fair housing. While KHC and DLG recognize the need to alleviate all the impediments listed below, they also recognize that addressing certain impediments is beyond the reach of their programmatic abilities and control.

Impediments to Fair Housing Choice

Commonwealth of Kentucky Impediments

1. Lack of affordable housing in a variety of locations based on:
 - A need for increased collaboration among State agencies to ensure that policies and funding affirmatively further fair housing
 - Limited access to transportation in both urbanized areas and in rural counties
2. Lack of resources for fair housing education, outreach and enforcement based on:
 - A need for fair housing education for locally elected officials and appointed boards and commissions with authority to make housing and housing-related land use and development decisions
 - A need for fair housing education for landlords and tenants to understand their respective rights and responsibilities
 - A need for fair housing education for real estate professionals, lenders, architects, and building permitting officials to understand their respective professional obligations under the fair housing laws
 - A need for fair housing education for stakeholders and residents statewide to understand their rights and the need for affordable housing in their communities
 - A need for greater fair housing enforcement across Kentucky to (a) protect the rights of members of the protected classes to access and retain housing, (b) bring violators into

compliance and (c) seek damages for persons who are unlawfully denied housing under fair housing laws

3. Lack of resources to support low- and moderate-income households based on:
 - A need for 24/7 affordable childcare
 - A need for jobs in rural counties
 - A need for substance abuse recovery
 - A need for mental health services
4. Lack of expanded protected classes for:
 - The elderly
 - LGBT persons
 - Sources of lawful income
5. Lack of adoption of the Uniform Residential Landlord Tenant Act (URLTA) by the State Legislature on a statewide basis

Local Municipal Impediments

1. Lack of affordable housing in a variety of locations based on:
 - Opposition to affordable housing, including emergency shelters and permanent supportive housing
 - Opposition to the adoption of URLTA in most communities

9. Fair Housing Action Plan

The Fair Housing Action Plan includes recommended actions for KHC and DLG separate from several actions recommended for the Commonwealth of Kentucky as a whole. The reason for this categorization is that KHC and DLG, within their own agencies' missions, have many worthwhile programs and initiatives that affirmatively further fair housing, and these must be continued in addition to several new actions recommended. The actions recommended for the Commonwealth reflect instances where a higher level of collaboration among a larger number of State agencies would be necessary for impactful change to occur. While the parties intend to fulfill the efforts below, they recognize that addressing certain impediments requires resources and efforts of parties beyond KHC and DLG's scope of control.

Recommendations for Actions by KHC

The following recommendations are specific to KHC and its policies and programs.

- Fair Housing Education and Outreach
 - Continue to financially and administratively support bilingual housing counseling and education efforts.
 - Continue to promote and market the "Simply Home" exhibit to municipalities and institutions across Kentucky as a vehicle for fair housing education and outreach.
 - Continue to collaborate with the Kentucky Commission on Human Rights and Lexington Fair Housing Council, Inc. to expand education and outreach efforts and to identify gaps in need of additional efforts.
 - Continue the marketing, outreach and engagement activities with multicultural populations across Kentucky via the Multicultural Customer Service and Outreach Coordinator.
- Expansion and Preservation of Affordable Housing in a Variety of Locations
 - Continue to allocate LIHTC funding to projects that prioritize higher opportunity areas and avoid concentrations of affordable housing.
 - Continue the Down Payment Closing Cost Assistance Program and the Homebuyer Loan Program for income-eligible homebuyers. Evaluate a preference for low- and moderate homeowners in neighborhoods at risk for displacement due to gentrification.

- Continue the Homeowner Rehab Program and the Weatherization Assistance Program to preserve the existing affordable housing inventory and lower homeowner costs. Evaluate a preference for low- and moderate-income homeowners in neighborhoods at risk for displacement due to gentrification.
- Continue to advocate for affordable housing resources among local, State and Congressional delegations.
- Continue the Tenant-based and Project-based Rental Assistance Programs to ensure affordable rental assistance for protected classes across the Commonwealth, including assistance to individuals with disabilities and/or recovering from substance abuse.
- Continue to seek Continuum of Care funding for rapid-rehousing and permanent supportive housing developments that provide affordable housing options and related services for protected classes.
- Evaluate tools and methods to connect people to housing, such as housing service locator tools.
- Enforcement of Design and Construction Requirements
 - Expand the *Certification of Compliance with Design Requirements for Accessible Housing* to require that general contractors involved in the design and construction of new multifamily residential properties sign the certification form, in addition to owners/developers and architects.
 - Continue allocation of funding to projects that include accessibility design features such as aging-in-place, Universal Design, ADA and UFAS construction standards.
- Ensure Access to Programs and Services for LEP Populations
 - Annually update the Language Access Plan to reflect a review of any demographic changes statewide and for each county, and the results of monitoring for the effectiveness of the plan's implementation.
 - Evaluate collecting preferred language data at time of single family loan origination to provide improved loan servicing to LEP populations.

Recommendations for Actions by DLG

The following recommendations are specific to DLG and its policies and programs.

- Fair Housing Education and Outreach
 - Continue to collaborate with the Kentucky Commission on Human Rights and Lexington Fair Housing Council, Inc. to expand education and outreach efforts.
- Expansion and Preservation of Affordable Housing in a Variety of Locations
 - Continue to fund eligible applications for housing rehabilitation to preserve the existing affordable housing inventory in Kentucky's smaller communities.
 - Continue to fund eligible applications for public infrastructure and public facility projects to improve the quality of life for low- and moderate-income households in Kentucky's smaller communities.
 - Continue to advocate for affordable housing resources among local, State and Congressional delegations.
 - Continue to fund eligible applications for local economic development projects to improve economic mobility and the quality of life for low- and moderate-income households in Kentucky's smaller communities.
- Ensure Access to Programs and Services for LEP Populations
 - Annually update the Language Access Plan to reflect a review of any demographic shifts statewide and for each county, and the results of monitoring for the effectiveness of the plan's implementation.
- Ensure Subrecipient Units of Government Comply with their Obligation to Affirmatively Further Fair Housing
 - Continue the fair housing compliance and monitoring initiatives as part of the CDBG Program.
 - Adopt a policy to consider denying or withholding funding from applicants that have engaged in discriminatory behavior. For example, if a local unit of government has a pending public infrastructure funding application with DLG but has recently denied the approval of an affordable housing project based on discrimination of the potential tenants, then DLG should consider denying or withholding approval of the pending application until the discriminatory matter is resolved. Although the pending application

may not involve or be related to the proposed affordable housing project, DLG has a legal obligation to affirmatively further fair housing by not investing federal funds such as CDBG resources in a community that engages in discriminatory behavior such as denying an affordable housing project for members of the protected classes for reasons that are not related to objective land use and development standards.

Recommendations for Actions by Kentucky

KHC and DLG are recipients of HUD funding that is administered throughout Kentucky; however, other State agencies also have a role in Kentucky's efforts to affirmatively further fair housing. To ensure that there is a concerted level across State agencies, the following recommendations are made.

- Collaborate with other State agencies and community partners to affirmatively further fair housing
 - Seek opportunities to align policies and funding to expand affordable housing opportunities and explore avenues for practical fair housing solutions between various State agencies and community partners.
- Engage with stakeholders to explore possible legislative solutions to impediments to fair housing
 - Review State regulations regarding compliance with federal fair housing laws and regulations.
 - Continue to support efforts to expand the list of protected classes in the Kentucky Fair Housing Act.

Recommendations for Actions by Municipalities and Counties

Municipalities and counties play a central role in ensuring that Kentuckians have access to housing in a variety of locations. Although the State and its agencies may not be able to require compliance with the recommended actions listed below, they are worthy initiatives that would affirmatively further fair housing through local administrative decisions, planning documents and municipal ordinances.

- Expansion of affordable housing in a variety of locations
 - Identify developable land within the municipality for developers of affordable housing

- Participate in regional planning efforts to ensure that there is affordable housing in a variety of locations
- Support funding applications, zoning decisions and other administrative functions to expand the inventory of affordable housing options for protected classes
- Fair Housing Education and Outreach
 - Engage the Kentucky Commission on Human Rights and/or Lexington Fair Housing Council, Inc. to provide fair housing education and outreach at the local or regional level with topics appropriate for residents, landlords, appointed boards and commissions, elected officials, real estate professionals, architects, etc.

Appendix A

Public Engagement Summary & Materials

The following outreach tools were utilized during the months of August, September and October 2019, copies of which are included at the end of this appendix.

Promotional flyers were distributed by KHC through its list serve and other media, including posting on the KHC project webpage.

Bilingual FAQ sheets were developed and posted on the KHC project webpage beginning on or about August 6. The links to the FAQ sheets were included on the promotional flyers and copies were made available at the State’s Regional Public Meetings and the Kentucky Affordable Housing Conference (KAHC19) Stakeholder Workshops.

KHC created a project webpage on its agency website for posting all information related to the Consolidated Plan and the Analysis of Impediments to Fair Housing Choice. The link to the webpage was included on the promotional flyers, in the FAQ sheets, and listed in the presentations made at the Regional Public Meetings and KAHC19 Stakeholder Workshops.

Regional public meetings were held in three locations across the Commonwealth to provide stakeholders and the public with three opportunities to provide input.

| Regional Meetings Across Kentucky | Handicap Accessible? | Number of Attendees |
|--|----------------------|---------------------|
| Independence (northern KY) August 19, 2019 10:00 AM – 12:00 PM EST Kenton County Public Library William E. Durr Branch, 1992 Walton Nicholson Road | Yes | 6 |
| Hopkinsville (western KY) August 20, 2019 10:00 AM – 12:00 PM CST Hopkinsville-Christian County Library 1101 Bethel Street | Yes | 14 |

| | | |
|--|-----|---|
| Pikeville (eastern KY) August 21, 2019 1:00-3:00 PM EST Pikeville Public Library 126 Lee Avenue | Yes | 3 |
|--|-----|---|

At each regional public meeting, a brief presentation was made then participants were asked five questions. Across the three locations, the most frequently cited responses to each question are listed below.

- *What is the greatest challenge to finding and keeping safe, decent and affordable housing in Kentucky?*
 - Limited or lack of funding to build more affordable housing options, including capital funds for public housing
 - Lack of available options for emergency shelter and permanent housing for homeless individuals and families, including youth
 - Lack of housing options in all geographic areas and for people with disabilities
- *What is the greatest challenge to creating more affordable housing for Kentuckians?*
 - Lack of adequate funding, including funding dedicated to rural areas
 - Lack of understanding for the need for affordable housing, including a lack of land and appropriate zoning for multi-family housing and lack of support from community residents and elected officials
- *What other needs are required in your community to improve the quality of life for residents (e.g. better paying jobs, water/sewer service, substance abuse treatment, etc.)*
 - Better paying jobs along with workforce development
 - Reliable transportation/quality transit systems operating on weekends and second/third shifts and for veterans and people with disabilities
 - Mental health support services including substance abuse treatment programs
 - Affordable childcare, including availability for second/third shift workers
- *Have you or your clients been discriminated against in your/their search for housing or your/their efforts to keep housing? What was the outcome?*
 - Discrimination based on familial status
 - Discrimination based on victims of domestic violence
 - Discrimination based on past criminal records

- *In your opinion, what is the single most important thing the state should be doing to create more affordable housing across Kentucky?*
 - Increase funding for affordable housing
 - Mandate the adoption and implementation of Kentucky’s Uniform Residential Landlord-Tenant Act (URLTA)
 - Educate elected and appointed officials about the need for and value of affordable housing

Two stakeholder workshops were conducted at the Kentucky Affordable Housing Conference (KAHC19) on September 12 and 13 at the Lexington Convention Center. This venue was selected because the typical conference attendees include affordable housing developers, builders, advocates and other entities who work in the affordable housing arena. The two stakeholder workshops were two of more than 15 sessions participants could self-select to attend over three days and three different timeslots.

| KAHC19 Stakeholder Workshops | Handicap Accessible? | Number of Attendees |
|--|----------------------|---------------------|
| September 12 10:15 AM - 11:45 AM EST Lexington Convention Center 430 West Vine Street | Yes | 12 |
| September 13 10:30 AM – 12:00 PM EST Lexington Convention Center 430 West Vine Street | Yes | 8 |

At each workshop, a brief presentation was made then participants were asked four questions, similar to the Regional Public Meetings. The most frequently cited responses to each question from both workshops included the following:

- *What is the greatest challenge to finding and keeping safe, decent and affordable housing in Kentucky?*
 - Lack of adequate funding, including for Section 202/811 programs, Housing Choice Voucher/Project-based Rental Assistance
 - Local ordinances banning emergency shelters within city limits
 - Lack of adequate supply of affordable family housing
 - Gentrification displacing lower income households

- *What is the greatest challenge to creating more affordable housing for Kentuckians?*
 - Increasing land and construction costs
 - Demand for affordable housing exceeds the supply
 - Not-in-my-backyard (NIMBY) opposition
 - Criminal background checks
 - Mental illness, including substance abuse
 - Lack of education, affordable childcare, transportation and jobs in most areas
- *What other needs are required in your community to improve the quality of life for residents (e.g. better paying jobs, water/sewer service, substance abuse treatment, etc.)*
 - Financial literacy classes
 - Substance abuse treatment
 - Affordable childcare, including for second shift workers
 - Intensive case management
 - Public transportation
- *In your opinion, what is the single most important thing the state should be doing to create more affordable housing across Kentucky?*
 - State legislative appropriation for affordable housing
 - Increase funding for Housing Choice Vouchers and Tenant-based Rental Assistance
 - Fair housing training for elected and appointed officials
 - Run a poverty-simulation program for elected officials
 - Incentivize developers to build new affordable housing in specific neighborhoods

A series of four online GoToMeeting sessions was conducted in early October. These were advertised on the KHC project webpage, on the FAQ sheets, at the Regional Public Meetings and the KAHC19 Stakeholder Sessions. KHC also distributed e-grams using its own agency list serve to remind stakeholders of the session schedule and details.

| Online GoToMeeting Session | Number of Attendees |
|------------------------------------|---------------------|
| October 1, 10:30 AM - 11:30 AM EST | 1 |
| October 1, 2:00 PM – 3:00 PM | 2 |

| | |
|------------------------------------|---|
| October 2, 10:30 AM - 11:30 AM EST | 0 |
| October 2, 2:00 PM – 3:00 PM | 0 |

The format of these sessions was similar to the Regional Public Meetings and KAHC19 Stakeholder Workshops with a series of five questions posed to participants.

A bilingual online survey was created in Survey Monkey and the link distributed through the KHC project webpage, on the FAQ sheets and the presentations made at the Regional Public Meetings and the KAHC19 Stakeholder Workshops. At KAHC19, workshop attendees were encouraged to respond to the survey as they entered the meeting room. The survey was also marketed at the end of the GoToMeeting sessions. The survey was live from August 6 through October 4, 2019; a total of 127 responses were received and tabulated. Of these, only one Spanish response was received.

The majority (53%) of survey respondents reported annual incomes of \$60,000 or higher. The next highest group of respondents (13%) have incomes of less than \$15,000. Most respondents (86%) identified as Caucasian/White while 14% identified as African American/Black. One in four respondents reported their household includes a person with a disability. Three in four respondents were female. By age, 42% of are between the ages of 25-44; another 24% are between 55-64.

Across all categories of priority need questions posed to respondents to the online survey, the following nine community development activities were rated the highest when weighted averages were ranked:

| Activity | Average Weight (ranked) | Category |
|---|-------------------------|--------------------------|
| Emergency shelters/homeless services/mental health services | 2.73 | Special Needs & Services |
| Youth transitioning out of foster care | 2.67 | Special Needs & Services |
| Rental assistance | 2.64 | Housing |
| Job creation/retention | 2.63 | Economic Development |
| Mental health facilities | 2.62 | Community Facilities |
| Substance abuse services | 2.59 | Special Needs & Services |
| Hunger/nutrition services | 2.59 | Special Needs & Services |
| Transportation | 2.58 | Public Infrastructure |

| | | |
|--------------------------------|------|----------------------|
| Workforce development programs | 2.57 | Economic Development |
|--------------------------------|------|----------------------|

The next three activities, each of which scored 2.56, included residential accessibility improvements for persons with disabilities, foster youth services, and elderly services—also categorized as Special Needs and Services.

Major findings summarized from each section of the online survey include the following:

Fair Housing

- 8 or more responses were received from each of Campbell, Fayette, Jefferson, Kenton, and Warren Counties for a total of 50 (40%).
- 41% (49) of respondents replied “yes” or “not sure” to the question inquiring about their experience with housing discrimination.
 - Of these, the most frequently cited counties of occurrence were Boone, Fayette, Jefferson, Madison, and Warren.
 - The majority (76%) reported that “a landlord or property manager” best described the person who may have discriminated against them.
 - 67% (25) reported the alleged discriminatory behavior occurred at “an apartment complex” or “public housing or other housing where your rent was only a portion of your income”.
 - Alleged bases for discrimination (covered by federal and state fair housing laws) included primarily familial status, race, disability, and color.
 - Notably, of the 37 respondents who answered the question “did you report the incident of possible discrimination”, only 2 responded “yes”.
 - The majority of respondents (71%) didn’t report the incident because they “didn’t think it would make a difference” or they “didn’t know who to report it to”.
- 20% of respondents (21) answered either “yes” or “not sure” to the question asking if they had ever been denied reasonable accommodation by a landlord.
- When asked “what would you do if you felt you were being discriminated against while seeking housing”, 32% responded they would “report the discrimination”, 29% responded they would

“do nothing and look for other housing”, and 20% (20) responded they “wouldn’t know what to do”.

Community Development

- Housing activities which received the highest weighted averages as identified by respondents included: rental assistance (2.64 out of 3.00), housing for persons with disabilities (2.44), senior housing (2.42), rental housing and energy efficiency improvements (both at 2.38), rental housing new construction (2.35), and housing for larger families (2.30).
- Economic development activities which received the highest weighted averages as identified by respondents included: job creation/retention (2.63), workforce development programs (2.57) and literacy programs/GED preparedness (2.54).
- Special needs and service activities which received the highest weighted averages as identified by respondents included: emergency shelters/homeless services/mental health services (2.73), youth transitioning out of foster care (2.67), substance abuse services and hunger/nutrition services (each at 2.59), residential accessibility improvements for persons with disabilities, foster youth services, and elderly services (each at 2.56), and services for persons with disabilities (2.51).
- Neighborhood / commercial district revitalization activities which received the highest weighted averages as identified by respondents included: street lighting (2.34), sidewalk improvements (2.22), street/alley improvements (2.15), demolition of blighted structures (2.11) and parking improvements (2.05).
- Public infrastructure activities which received the highest weighted averages as identified by respondents included: transportation (2.58), water system improvements/extensions (2.33), sanitary system improvements/extensions (2.32), road reconstruction (2.29) and water/wastewater treatment facilities (2.28).
- Community facilities which received the highest weighted averages as identified by respondents included: mental health facilities (2.62), childcare centers (2.57), substance abuse centers (2.54), employment centers (2.48) and healthcare facilities (2.42).

Appendix B

Dissimilarity Indices by County

The following table indicates the Dissimilarity Index for each county in Kentucky by race.

Table 27 Level of Segregation in Each County by Race/Ethnicity, 2017

| County | Non-White/White | Black/White | Asian/White | Hispanic/White |
|---------------------|-----------------|-------------|-------------|----------------|
| Adair County | Low | Medium | High | Low |
| Allen County | Low | Low | High | Medium |
| Anderson County | Low | Low | Low | Medium |
| Ballard County | Low | Low | Low | Low |
| Barren County | Low | Medium | Medium | Low |
| Bath County | Low | Medium | Medium | Low |
| Bell County | Low | Medium | Medium | Medium |
| Bell County | Low | Medium | Medium | Medium |
| Boone County | Low | Low | Low | Low |
| Bourbon County | Low | Medium | High | Low |
| Boyd County | Low | Medium | High | Medium |
| Boyle County | Low | Low | Medium | Medium |
| Bracken County | Low | High | Medium | Low |
| Breathitt County | Low | Medium | High | Medium |
| Breckinridge County | Low | Low | High | Medium |
| Bullitt County | Low | Medium | Medium | Medium |
| Butler County | Low | Low | High | Medium |
| Caldwell County | Low | Low | | Medium |
| Calloway County | Low | Low | Medium | Low |
| Campbell County | Low | High | Medium | Medium |
| Carlisle County | Low | Low | Medium | Low |
| Carroll County | Low | Low | Medium | Low |
| Carter County | Medium | Medium | High | High |
| Casey County | Low | Low | Low | Low |
| Christian County | Low | Low | Medium | Medium |
| Clark County | Low | Medium | Medium | Low |
| Clay County | Medium | High | | Medium |
| Clinton County | Low | Medium | Low | Low |
| Crittenden County | Low | Medium | | Medium |
| Cumberland County | Low | Medium | Medium | Low |

| County | Non-White/White | Black/White | Asian/White | Hispanic/White |
|------------------|-----------------|-------------|-------------|----------------|
| Daviess County | Low | Low | Medium | Low |
| Edmonson County | Medium | High | Low | Medium |
| Elliott County | Low | Low | | Low |
| Estill County | Medium | Medium | | High |
| Fayette County | Low | Medium | Low | Medium |
| Fleming County | Low | Medium | High | Low |
| Floyd County | Low | Medium | High | Medium |
| Franklin County | Low | Medium | Low | Low |
| Fulton County | Low | Low | Low | Low |
| Gallatin County | Low | Low | Low | Low |
| Garrard County | Low | Medium | Medium | Low |
| Grant County | Low | Low | Medium | Low |
| Graves County | Low | Medium | Medium | Low |
| Grayson County | Low | Low | High | Low |
| Green County | Low | Low | Low | High |
| Greenup County | Low | High | Medium | Low |
| Hancock County | Low | Low | Low | Low |
| Hardin County | Low | Medium | Medium | Medium |
| Harlan County | Low | Medium | High | Medium |
| Harrison County | Low | Low | | Medium |
| Hart County | Low | Low | Medium | Low |
| Henderson County | Low | Low | Medium | Low |
| Henry County | Low | Medium | High | Medium |
| Hickman County | Low | Low | Low | Low |
| Hopkins County | Medium | Medium | Medium | Medium |
| Jackson County | Low | Low | | High |
| Jefferson County | Medium | Medium | Medium | Medium |
| Jessamine County | Low | Low | Medium | Low |
| Johnson County | Low | Low | Medium | Low |
| Kenton County | Low | Medium | Medium | Low |
| Knott County | Low | Medium | High | High |
| Knox County | Low | Medium | Medium | Medium |
| Larue County | Low | Medium | Medium | Low |
| Laurel County | Low | Medium | Medium | Medium |
| Lawrence County | Low | Medium | High | Low |
| Lee County | Low | Low | Medium | Low |
| Leslie County | Low | Medium | Medium | Low |
| Letcher County | Low | Medium | Low | Low |
| Lewis County | Low | Low | High | High |
| Lincoln County | Low | Medium | High | Low |

| County | Non-White/White | Black/White | Asian/White | Hispanic/White |
|-------------------|-----------------|-------------|-------------|----------------|
| Livingston County | Low | High | Low | Low |
| Logan County | Low | Low | High | Low |
| Lyon County | Low | Low | Low | Low |
| McCracken County | Medium | Medium | Medium | Low |
| McCreary County | Medium | Medium | High | Medium |
| McLean County | Low | Low | Medium | Low |
| Madison County | Low | Low | Low | Low |
| Magoffin County | Low | High | | Low |
| Marion County | Low | Medium | High | Medium |
| Marshall County | Low | Low | Low | Low |
| Martin County | Low | Medium | | Low |
| Mason County | Low | Low | Low | Medium |
| Meade County | Low | Medium | Low | Low |
| Menifee County | Low | Low | Medium | Medium |
| Mercer County | Low | Low | Low | Low |
| Metcalfe County | Low | Low | Medium | Low |
| Monroe County | Low | Low | High | Low |
| Montgomery County | Low | Low | High | Low |
| Morgan County | Low | High | Medium | Low |
| Muhlenberg County | Low | Medium | Medium | Medium |
| Nelson County | Low | Medium | Medium | Medium |
| Nicholas County | Low | Low | | Low |
| Ohio County | Low | Medium | High | Low |
| Oldham County | Low | Low | Low | Low |
| Owen County | Low | Low | | Low |
| Owsley County | Low | Low | | Medium |
| Pendleton County | Low | Low | Low | Medium |
| Perry County | Low | Medium | High | Medium |
| Pike County | Medium | High | High | Medium |
| Powell County | Low | Medium | Medium | Low |
| Pulaski County | Low | Medium | High | Low |
| Robertson County | Low | Low | | Low |
| Rockcastle County | Low | Medium | Medium | Medium |
| Rowan County | Low | Low | Medium | Low |
| Russell County | Low | High | Medium | Low |
| Scott County | Low | Low | Medium | Low |
| Shelby County | Low | Low | Medium | Low |
| Simpson County | Low | Low | High | Low |

| County | Non-White/White | Black/White | Asian/White | Hispanic/White |
|-------------------|-----------------|-------------|-------------|----------------|
| Spencer County | Low | Medium | High | Low |
| Taylor County | Low | Low | Medium | Low |
| Todd County | Low | Low | High | Low |
| Trigg County | Low | Low | Medium | Low |
| Trimble County | Low | | High | Low |
| Union County | Low | Low | Low | Low |
| Warren County | Low | Low | Medium | Medium |
| Washington County | Low | Medium | Medium | Low |
| Wayne County | Low | Low | High | Medium |
| Webster County | Low | Medium | High | Medium |
| Whitley County | Medium | High | High | Medium |
| Wolfe County | Low | Medium | | Medium |
| Woodford County | Low | Low | Medium | Low |

Source: American Community Survey five-year estimates 2017