

40
YEARS



Kentucky Housing
Corporation

of Leading
the Way Home

40 Years of Achievements





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40 YEARS  Presented by
Kentucky Housing Corporation
*of Leading
the Way Home*

40TH ANNIVERSARY LUNCHEON AGENDA

RICHARD L. MCQUADY
KHC Chief Executive Officer

40 YEARS OF LEADING THE WAY HOME
Video Presentation

WILLIAM SUMMERS, V
KHC Chairman of the Board

JERRY ABRAMSON
Lieutenant Governor of Kentucky

F. LYNN LUALLEN
KHC Board Member and Longest-Serving Executive Director/Chief Executive Officer
1976-1980, 1984-1988, 1992-1993, and 1996-2004

MESSAGE FROM THE CEO — RICHARD L. MCQUADY

Dear Friend of KHC,

Since the General Assembly created Kentucky Housing Corporation (KHC) with the passage of the Mae Street Kidd Act in 1972, we have provided over 86,000 Kentuckians with an affordable, safe home loan. The Corporation currently assists 27,578 families with Tenant- and Project-Based Rental Assistance in 109 counties across the Commonwealth. Last year, we assisted 18,996 individuals and families with our homeless initiatives. We have grown from a Corporation with a staff of one, to over 270 staff.

Throughout the years, our mission of providing safe, quality, affordable housing has remained constant. In my 27 years at KHC, I have seen good times and bad times. But the staff, Board of Directors, and partners have always, and continue to be, very strong and committed to the citizens of Kentucky.

It is only through the strength of our partnerships that we are able to fulfill our mission of providing safe, quality, affordable housing. We appreciate the work you have done for 40 years and look forward to another 40 years of successful partnerships.



40 YEARS OF ACHIEVEMENTS

1972



Mae Street Kidd

Mae Street Kidd was a state representative from Louisville. As a black female, almost six feet tall, she stood out in the mostly white rural male bastion that was the Kentucky General Assembly in 1972. She stood out, too, because of her concern for lower-income people of all races and her determination to help them.

Representative Kidd sponsored House Bill 27, the legislation

creating Kentucky Housing Corporation, which was later renamed the Mae Street Kidd Act in her honor. The bill was originally passed in 1970 but was vetoed by then-Governor Louie B. Nunn.

“It’s not easy to get a bill passed, especially a controversial one that plows new ground,” Representative Kidd recalled in her memoir, *Passing for Black*. “I was ready to give up on him (Governor Nunn), but not on the bill.”

For the 1972 legislative session, Kentucky had a new governor, and Mrs. Kidd had new hopes for her bill. This time, Governor Wendell Ford signed her bill. Selling bonds to provide mortgage loans for poor people was still a new idea embraced by only the most progressive states. Mae Street Kidd made Kentucky only the twelfth state to do so with the creation of KHC, whose mission, at the time, was to “provide safe, sanitary, and affordable residential housing for persons and families of lower income in Kentucky.”

1973

In October 1973, the first executive director, John Polk, was hired marking the beginning of KHC’s operational phase. When KHC was created, the General Assembly appropriated \$150,000 for initial operating expenses but the Corporation needed to start earning revenue, so KHC had its first bond issue, totaling \$52.1 million, in December 1973. These funds enabled KHC’s purchase of loans through Fannie Mae, and KHC received special permission from the IRS to keep the excess earnings from the portfolio so it could use the revenue for operational expenses for the Corporation.

These earnings also helped establish the Construction Loan Fund for land acquisition, development, and interim construction loans.

1974

KHC’s business model of utilizing mortgage revenue bonds (MRBs) was realized this year when \$30 million in bond anticipation notes were issued to finance KHC’s home buying program called the Mortgage Purchase Program at the time. The name indicated how the program worked, with lenders making low-interest loans to low-income Kentuckians and KHC buying the loans from the banks. The program was a success but unfavorable conditions in the bond market raised concerns about the viability of the program in the future.

The federal 1974 Housing and Community Development Act created the Section 8 New Construction Program; KHC requested enough funding to develop 600 units. This new program allowed low-income families to pay up to 25 percent of their income for rent

and the federal government would make up the difference. The program applied to new and existing units. According to KHC's 1975 annual report, "Because of its potential effect on the housing supply for low-income families, the Corporation plans to devote considerable efforts to ensure Section 8's success in Kentucky."

1974-1975

FHA/VA INTEREST RATES:
9%, with 5 discount points (average)

KHC INTEREST RATES:
8%, with no discount points

Maximum annually adjusted income required for a KHC loan was \$15,000.

1975

KHC was officially in operation and making strides in providing affordable housing across the Commonwealth, but outside factors like instability in the economy, rising construction costs, and a freeze of federal programs were making this task more difficult.

The market had become more selective because one of the largest housing finance agencies (HFAs) was unable to meet its debt service payments on its bond anticipation notes. KHC, which only raised funds for specific projects and were federally insured or guaranteed mortgages only, took a more conservative approach and was able to market its bonds at a lower cost than other agencies making them attractive to investors.

Programming for the Corporation was more than just single-family housing. This year, \$1.9 million was received from U.S. Department of Housing and Urban Development (HUD) for construction of 623 Section 8 units. There were two housing production loan programs in place to stimulate new construction and rehabilitation. Housing counseling was also a major focus of the Corporation to minimize foreclosures and help home buyers understand their rights and responsibilities.

From KHC's initial start in 1972 to June 30, 1975, KHC financed a total of 5,248 single-family homes, 21 multifamily projects, 2 rehabilitation programs, 3 land acquisitions and development projects, and 1 construction loan.

1976

The Corporation's bonding authority was increased from \$200 to \$400 million to meet the demand in the market. A \$125 million bond sale enabled the Corporation to fund single- and multifamily housing, land acquisition and development, construction, and rehabilitation of housing for sale or rent.

This increase in funding meant more Kentuckians could be served. This also meant more staff and better equipment were needed to support the additional work load. Staff increased from 6 to 20 by the end of the 1976 fiscal year.



KHC Staff, 1976

In anticipation of future growth of the Corporation's programs and staff, KHC leased property at 1231 Louisville Road in Frankfort.

"The progress of the Corporation...is a genuine reflection of its efforts to provide safe, decent, sanitary housing for many Kentuckians. And the plans for growth in the future show even greater promise."

*~Julian M. Carroll,
Kentucky Governor,
December 13, 1976*



1977

KHC received the highest housing authority bond and note rating (at the time) of AA from Moody's and Standard & Poor's. KHC's bonds were already desired by investors but this rating increased demand.



First KHC Office Building

KHC's ability to sell bonds meant that single-family mortgage financing was booming, and 3,113 individuals and families received a loan through the Mortgage Purchase Program during the 1977 fiscal year. While single-family led the way, multifamily construction reached more than \$50 million representing over 2,500 units.

The increase in bond sales also meant more programs and staff were needed. KHC officially moved into the 1231 Louisville Road office building, which looked much different than it does today, to accommodate KHC's 25 staff.

1978

KHC's homeownership mortgage products continued to be in high demand necessitating an increase in the debt ceiling by the Kentucky General Assembly from \$400 million to \$700 million. Staff continued to grow with over 35 full- and part-time employees at the end of the fiscal year and offices operating in Frankfort, Louisville, and Hazard.

KHC continued to be a leader in the affordable housing industry by providing a total of 8,167 single-family loans, 2,361 multifamily units, and serving 80 counties. The greatest accomplishment in 1978 was the final repayment of the \$150,000 appropriation by the 1972 General Assembly for start-up capital for the Corporation. While this was not required, it signified KHC's commitment to being a self-supporting agency.

1979

Perhaps the most ambitious and unusual project undertaken by KHC, or any housing finance agency (HFA), occurred in 1979 when the Corporation purchased Wheelwright, an abandoned coal company town in eastern Kentucky, to rehabilitate and resell housing to its residents.



*From top to bottom:
Wheelwright Clinic;
Deteriorating interior of a
Wheelwright restaurant;
Abandoned Wheelwright
Community Shopping
Center; Building once
occupied by the
Wheelwright Post Office*

For more than a century, towns throughout the coal mining region of eastern Kentucky were born, grew up, and died as wholly-owned subsidiaries of the coal companies that operated the nearby mines. The companies purchased the land, built the houses, opened the stores, and hired the employees. There were abuses—many houses were poorly built of green wood, waste systems were straight-line pipes into the creek, and miners who lost jobs were thrown into the streets with their families and run out of town.

Wheelwright was founded and built by Elkhorn Coal Corporation in 1916 in eastern Kentucky. Not much happened until 1930 when the entire town of over 1,500 acres was sold to Inland Steel Company. It then became a model coal town with paved streets, as well as water, natural gas, sewage, and phone systems. Inland Steel also built a small hospital, post office, barbershop, restaurant, clubhouse, public library, movie theater, and swimming pool. Through the coal-boom years, Wheelwright thrived.

In 1966, the entire town was sold again, this time to Island Creek Coal Company. Eight months later,

Island Creek sold it to Mountain Investments, a Florida-based realty company. During the next 13 years, the houses, community buildings, and utility systems significantly deteriorated and the population dropped from 3,000 to fewer than 900.

After years of neglect, civic leaders of Wheelwright requested assistance to buy back their town and applied to HUD for a \$3 million grant to rehabilitate the town, but HUD did not make grants to private companies. Either the county or a nonprofit organization would have to purchase the town.

KHC borrowed \$1.275 million and bought the town—the commercial properties, utility systems, and around 400 houses—nearly all dilapidated. Wheelwright then received the \$3 million grant from HUD, an additional \$300,000 from the Farmers Home Administration, and \$250,000 from the Department of Labor. A dramatic clean-up program began.

Most housing underwent major rehabilitation. Streets were repaired and utility systems were overhauled. KHC repaid the initial loan with proceeds from the sale of commercial properties through a publicly-advertised bidding process, as well as the sale of residential properties back to the people of Wheelwright.

After the rehabilitation of the houses, properties, and parks, the residents of Wheelwright bought the town back from KHC for one dollar. That dollar is on display in the lobby of the west annex of KHC's offices.

KHC continued to enjoy success and prosperity in 1979. The Loan to Lenders Program started, in which funds were loaned to lending institutions, which then made mortgage loans to qualified Kentuckians. Loans to Lenders was very successful in eastern Kentucky where federal programs had struggled. The Corporation also employed 41 staff at end of fiscal year 1979 with offices in Frankfort, Louisville, and Stanton.

1980

Since the inception of Section 8 in 1964 through June 30, 1980, KHC financed the creation of over 5,000 Section 8 units. The Single-Family Mortgage Purchase Program was gradually slowing as high interest rates and a stagnant economy made it difficult for most families to become homeowners, but 1,900 families were still able to receive a loan because of KHC during the 1980 fiscal year, for a total of 13,042 single-family loans in the Corporation's portfolio. KHC's single-family mortgage interest rate was around 8 percent and the market rate was around 13 percent. But the market was quickly changing in the late 1970s/early 1980s and the future of the tax exempt bond market was in question as Representative Al Ullman of Oregon introduced legislation to prohibit the sale of these bonds.

Not all entities that sold MRBs were as good stewards of the funds as KHC. Some, instead of utilizing the funding to ensure low-income families benefited, financed high-cost housing for the wealthy or influential. While this was not illegal, it did violate the spirit in which the MRBs were created. Representative Ullman introduced legislation that threatened the continuance of the MRBs. Luckily, Congress continued to extend the sunset provision on the MRBs until it made MRBs permanent nine years later. The Ullman bills were a sign of things to come as drastic federal budget cuts were on the horizon.

1981



Governor
John Y. Brown

During what Governor John Y. Brown called "the greatest challenge since the Depression," KHC continued to thrive, providing a total of 29,449 housing units and serving 117 counties. Since the beginning of the Single-Family Mortgage Purchase Program through June 30, 1981, over 18,000 Kentuckians received a mortgage through KHC. Since beginning the Section 8 program in 1975, KHC had participated in the construction of 10,060 units.

Fiscal year 1981 saw KHC's first bond issue for financing of single-family conventional mortgage loans insured by private mortgage insurance companies, and with FHA-insured and VA-guaranteed loans. A major fire and casualty company, which had never purchased tax exempt mortgage bonds secured by non-federally insured or guaranteed loans, purchased a block of these bonds. This indicated KHC's acceptance in the national market.

From 1981-1983, KHC fell under the Department of Transportation instead of the Finance and Administration Cabinet. When Governor Martha Layne Collins became Governor, she returned oversight of KHC to the Finance and Administration Cabinet.

1982

With a successful single-family bond issue in December 1981, KHC exhausted almost all of its available bonding authority, and in March 1982, the General Assembly raised the debt ceiling from \$700 million to \$1.125 billion, a \$425 million increase.

	June 30, 1982	June 30, 1981
Financial		
Bonds outstanding	\$621,510,000	\$595,905,000
Construction notes outstanding	16,500,000	80,500,000
Loans	546,820,000	551,068,000
Investments	153,319,000	171,777,000
Housing Units Assisted		
Single-family	16,929	16,210
Multi-family	14,303	13,239
Total Housing Units	31,232	29,449
Counties Served—All KHC Programs	120	117

Financial and Housing Unit Highlights, 1982

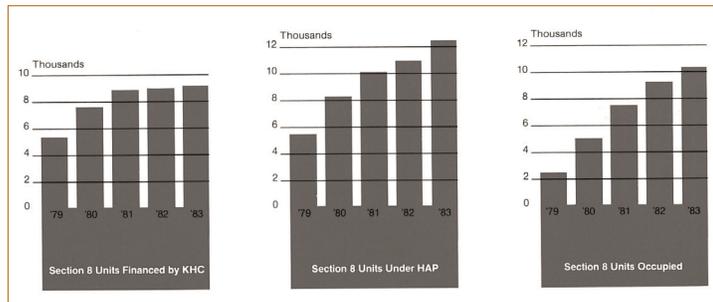
A difficult economy and high interest rates slowed the housing market, putting safe, quality, affordable housing out of reach for many Kentuckians. The Ullman bills, which were then dubbed

the Mortgage Subsidy Bond Tax Act, changed how MRBs were priced and how they could be used, making the funds harder to use. KHC's interest rate was 13.5 percent, which was less than the market rate but still very high. During fiscal year 1982, only 790 Kentuckians became homeowners through KHC programs. KHC continued to be active in the three phases of the Section 8 program—new construction/substantial rehabilitation, moderate rehabilitation, and administration of existing units. Federal budget cuts continued with many more on the horizon, but KHC remained stable and the surplus fund continued to grow.

1983

Mortgage interest rates began to lower, indicating a rebound for the struggling housing market, and the total number of single-family loans issued reached over 19,000 at the end of fiscal year 1983. KHC continued to fight the negative perception of mortgage revenue bonds, and household income limits for KHC single-family loans were increased to \$25,000 with a purchase price of \$46,000 (\$52,000 in certain Appalachian counties).

The federal government stopped the New Construction Section 8 program, through which KHC was able to build 13,000 apartments.



Section 8 Units, 1983

1984

1984 marked the beginning of what could be called a Renaissance for KHC. KHC had invested and saved a substantial surplus, meaning the Corporation had a large discretionary fund to finance new programs. KHC invested \$4.5 million to fund new programs, including the Homeownership Trust Fund, Grants to the Elderly for Energy Repairs, Kentucky Indoor Plumbing, and Training for Affordable Construction. The total number of units assisted was 38,900 by the end of fiscal year 1984, over 1,000 more than the previous fiscal year.

In 1984, KHC's mandate was changed by the General Assembly from providing housing for "low-income Kentuckians" to "low- and

moderate-income Kentuckians." While this seems like a minor change, concerns over KHC's mandate had begun almost ten years earlier when, during a Board of Directors meeting, KHC's then executive director suggested that KHC's income limit for single-family mortgages should be 120 percent of the area median income. KHC's fidelity to its mission would be the subject of an investigation and legislative hearings until, in 1984, the General Assembly amended KHC's enabling statute to include "moderate income."



Governor
Martha Layne Collins

The first Governor's Housing Conference, now the Kentucky Affordable Housing Conference, was held in Frankfort, Kentucky. Twenty-eight years later, the conference is still *the* place for affordable housing information in Kentucky and has won numerous awards for its designs and themes.

1985

In 1985, under the leadership of then-Governor Collins, the KHC board of Directors, and then-Executive Director F. Lynn Luallen, the Housing Revenue Bond Trust Fund was created. The fund, originally called the Surplus Fund, is used to provide low-interest, insured, first-mortgage loans to lower income Kentuckians. The creation of the Trust Fund also insured that all the Corporation's resources would be used to provide housing opportunities for Kentucky's families.

"I would like to thank KHC for helping my daughters and myself realize a dream we once had abandoned. We are enjoying our new home very much."

~Mrs. Helen S. White



The Section 8 Voucher Program (Tenant-Based Rental Assistance) started, which was supposed to ease the shortage of affordable rental housing since the federally-funded Section 8 New Construction Program had ended. The voucher program, in which an individual can live almost anywhere as long as it meets HUD requirements and the owner agrees to accept the voucher, helped meet some of the demand for affordable housing. KHC continued

its participation in the rehabilitation and administration of existing Section 8 apartments, and it launched a multifamily program to fund construction of affordable rental housing.

1986

Creating unique housing solutions was not new to KHC, but Virginia Place, now called One Parent Scholar House, was one of the first specialized housing programs of its kind. Twenty-one years later, KHC would start the Scholar House Program and replicate this program that combines education, housing, on-site childcare, and life-skills training in several areas of the state.

“Low-income families struggling to achieve self-sufficiency need services and support connected to affordable housing. KHC paved the way for housing-connected services with Virginia Place.”

~Governor Martha Layne Collins

The number of Kentuckians who achieved the American Dream of homeownership because of KHC reached over 20,300 at the end of the fiscal year. KHC



continued and grew the programs started a few years ago, like Grants to the Elderly for Energy Repairs, Kentucky Indoor Plumbing, and Training for Affordable Construction. Urban and rural development became a major focus of the Corporation with the Cluster Loan Program, which offered below-market mortgages to home buyers of new homes in older, distressed, urban areas, and the Kentucky Appalachian Housing Program, which was in its ninth year in 1986 and had assisted nearly 5,500 families by the end of the fiscal year.



*Moderate Rehab
Section 8 Projects, 1986*

1987

In January 1987, the General Assembly enacted legislation to change the single-family mortgage loan income guidelines to a sliding scale according to household size and location. The new maximum income was \$25,500 with \$1,500 allowed for each dependent and \$2,500 for homes purchased in Eastern Kentucky. This change enabled even more Kentuckians to become homeowners as large families were often priced out of homeownership. Also, the purchase price limit was increased for the first time in six years.

Rental assistance programs continued to be a strength of the Corporation. The Housing Choice Voucher Program grew from 33 vouchers in fiscal year 1986 to 111 this fiscal year. A total of 469 affordable units in 16 counties were rehabilitated, and KHC's participation in the Section 8 Existing Program grew to 1,082 units. However, KHC's largest involvement in rental assistance was the New Construction/Substantial Rehabilitation Program that encompassed 12,885 units, at that time.

The McKinney-Vento Homeless Assistance Act was passed, which would bring new programs and a new focus to the Corporation although it would still be years before it was realized. The Corporation was also appointed to administer the federal Low Income Housing Tax Credit Program, an “experimental,” three-year program created to provide the private market with an incentive to invest in affordable rental housing.

1988

KHC helped over 1,850 Kentuckians become homeowners, including the Watkins family, who was the 25,000th borrower, this year. KHC continued to fight for the tax exempt mortgage revenue bond program, which was due to end on December 31, but was extended to December 31, 1991. KHC's single-family portfolio grew to \$612 million.



The Watkins Family

The Low Income Housing Tax Credit Program was proving to be a success in its first year in the state with 134 developments and 3,140 rental units created through the program.

KHC partnered with the city of Louisville to undertake the city's most massive housing rehabilitation effort, at the time. KHC

financed 87 homes for lower-income residents in the Algonquin neighborhood.

In its fourth year, the Grants to the Elderly for Energy Repairs Program assisted an additional 160 low-income elderly homeowners with energy repairs and improvements, bringing the total assisted to 901 households.



Nazareth Village II Section 8 Apartments for the Elderly, 1988

1989

Assets reached \$1 billion, which allowed KHC to continue using its financial strength to provide creative programs to meet the housing needs of Kentuckians.

In its early years, KHC's small staff did not have the capacity to service its loans in-house. But, as many organizations that serviced KHC loans began moving out of state, KHC's Board and staff saw the need to establish a servicing department within the Corporation. This allowed the Corporation to increase income and offer a more direct and personal relationship with the families who have KHC loans. To this date, it is still one of the selling points of receiving a loan through KHC.

1990

This was an exciting year for KHC as it received recognition from the National Council of State Housing Agencies for both its *Keep Kentucky Affordable* Campaign for the preservation of federal housing financing, and as one of top four state housing finance agencies in the nation for serving the lowest income and lowest purchase price.

Kentucky's first statewide housing plan was created as a result of a recommendation by an external advisory committee. *Meeting the Challenge: Housing Kentuckians in the 90s* was formally launched in January 1990.

KHC continued to develop new programs to support the goals of the *Meeting the Challenge* plan. Equity Partners Investing in the Commonwealth (EPIC) was a precursor to KHC's current Down payment Assistance Program, except EPIC utilized a second mortgage provided by the lenders. *Yes, You Can...Own a Home* (homeownership education course) and Rental Deposits Surety Program (paid deposit to property owner and utility provider) also launched this year.

Also, the federal Cranston-Gonzalez National Affordable Housing

Act, signed by then-President George H. Bush in November 1990, would bring many new programs and opportunities to KHC and other housing partners across the nation. The act represented the first serious attempt since the significant reduction in federal housing funds in the 1980s to rebuild the affordable housing industry.

1991

KHC became the first tax-exempt issuer and the first housing finance agency in the country to earn Triple A status in 1991 from Standard & Poor's. This allowed KHC to sell bonds at lower interest costs resulting in lower mortgage rates for families purchasing a home through KHC's single-family program.

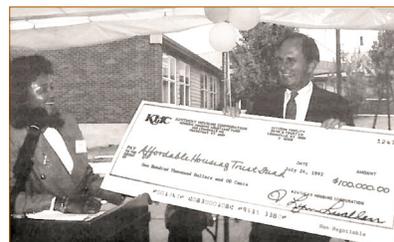
Started in 1988, the Low Income Housing Tax Credit was making a dramatic impact in the state by having already produced approximately 9,000 affordable rental units. Much like the tax exempt mortgage revenue bond program, the Low Income Housing Tax Credit program was scheduled to sunset on December 31, 1991; however, it was extended to June 30 1992.

The Cranston-Gonzalez National Affordable Housing Act created the HOME Investment Partnerships (HOME) Program, which encourages states to partner with local governments and other housing partners. To this day, HOME remains an important funding source for affordable housing.

1992

KHC received \$15.1 million for the HOME Program for rehabilitation of homes and apartments, construction of single- and multifamily units, and provide rental assistance. KHC is one of the few agencies that utilizes HOME funds for all eligible types of activities.

Mortgage revenue bonds were a powerful tool to create affordable housing but could not assist the neediest of Kentuckians, like the



AHTF Check Presentation

homeless, disabled, and very-low income. Many states began to create affordable housing trust funds to assist these hard-to-serve populations. Kentucky's Affordable Housing Trust Fund (AHTF) was established by the

General Assembly to serve the state's lowest-income populations with critical housing needs.

1993

Thanks to the persuading of then-First Lady Libby Jones, Governor Brereton Jones donated \$100,000 to the AHTF from the Governor's Derby Breakfast. KHC matched the donation and was able to distribute \$200,000 to nine organizations to build homes for very-low income families, leveraging a total of \$3.7 million. This insecure funding continued until 1997 when a source was designated, although not permanent.

In fiscal year 1993, KHC received almost \$10.5 million for the HOME Program, and began administering all federal McKinney-Vento Act homeless funding programs. Started in 1988 to solve the nation's homeless problems, the act greatly benefited urban areas. In 1993, KHC conducted a homeless survey to better understand Kentucky's homeless and to demonstrate the need for more rural focus to HUD, which viewed homelessness as an urban problem.

Moody's awarded KHC the AAA bond rating, following Standard & Poor's that awarded it in 1991. KHC was the first state HFA to receive this AAA bond rating from both rating agencies.

1994

KHC began to expand its programs to offer more homeless services funding. HUD began the Continuum of Care (CoC) approach to addressing homelessness to ensure communities provide housing programs and services. Prior to the CoC, funding was distributed to areas based on the number of people living on the streets. Kentucky received some funding but it went to the urban areas of the state. With the CoC in place, funding was spread to rural areas, which face very different challenges than urban areas. KHC was so successful in its implementation of the CoC, it received the HUD Best Practices Award for its CoC program.

In June 1994, the findings from KHC's Kentucky's Homeless Study were released. The study was one of the first comprehensive



KHC Rental Assistance Program Staff joined with HUD officials to commemorate receiving the Sustained Performance Award.

looks at homelessness in the state. The findings from the study are still very true today, that there are large numbers of homeless children and the rural homeless are less likely to

live on the streets or in a shelter and are most likely living with friends or family.

Providing rental assistance to needy families continued to be a driving force for the Corporation. KHC was one of six agencies that received HUD's Sustained Performance in the Section 8 Program Award. Governor Brereton Jones proclaimed December 15, 1994, as KHC Section 8 Rental Assistance Day.

After an almost 14-year battle, tax exempt mortgage revenue bonds were given a permanent extension. The Low Income Housing Tax Credit Program also received this same treatment and was made permanent.

1995

The Cranston-Gonzalez National Affordable Housing Act of 1990 created the Family Self-Sufficiency (FSS) Program. With the FSS Program, KHC opens and contributes to a savings account in the participant's name. As the participant's earned income increases, their rent share goes up accordingly and KHC's share decreases. Some or all of KHC's payment portion goes into the savings account, which graduates can spend as they wish. Many FSS participants finish the program with enough money for a down payment on a new home. In the spring of 1995, the first family graduated from the FSS Program and purchased their first home.

The HOME Program continued to help meet housing needs in the state. In 1995, 95 applications were received requesting \$36 million but only \$15 million was available to allocate. Repair Affair started, which is a volunteer-driven program to help homeowners who lack resources to repair their homes. Over 700 volunteers worked on 59 homes the first year of the program.

1996

Housing Policy Advisory Committee (HPAC) was created by the General Assembly to establish state policy on housing issues. HPAC acts as an advisory committee to KHC's Board of Directors. Because housing is such an integral part of a person's success, the HPAC brings together organizations and agencies that offer a variety of services that may not appear directly related to housing, like education and transportation. The HPAC is a forum for coordination of priorities and integration of resources for the state.



Governor Paul Patton announcing grant recipients: Dave Lollis, FAHE (left) and Lyle Hanna, Habitat for Humanity (right)

The *Yes, You Can...Own a Home* program, Family Self-Sufficiency, and innovative media programs received awards from the National Council of State Housing Agencies. KHC also started planning for the Hammering in the Hills project, an eastern Kentucky blitz home build.

1997

KHC contributed \$505,000 to the Jimmy Carter Work Project (JCWP) and the associated Partnership Build with members of the Federation of Appalachian Housing Enterprises, Inc. The combined projects formed "Hammering in the Hills," a \$7.75 million



Former President Jimmy Carter and former First Lady Rosalynn Carter

project that built houses in Kentucky, Tennessee, and West Virginia.

More than 3,000 volunteers from around the world, including KHC staff, spent a week hammering in the hills. The JCWP built 43 houses in Kentucky,

not counting almost 100 more built by Partnership Build and Echo Build (Habitat affiliates outside the JCWP). Those houses alone, and the stability and security of the families who now own them, were more than reward enough for the work that went into Hammering. But the JCWP accomplished much more.

Then-Governor Paul Patton and then-Lieutenant Governor Steven Henry swung hammers with former President Carter and the former Speaker of the U.S. House of Representatives Newt Gingrich. Then-First Lady Hillary Clinton arrived to attach siding and paint with former First Lady Rosalynn Carter, then-Kentucky First Lady Judi Patton, and former First Lady Libby Jones. The building sites swarmed with media.

Hammering led the state's local television broadcasts every night, and the front-pages of the state's newspapers every morning, for a week.

1998

The AHTF was a very important piece of the funding puzzle to create affordable housing in Kentucky but it had gone without a dedicated funding source since its creation in 1992. The 1998 General Assembly ended this by allocating funding from the unclaimed lottery prize money exceeding \$6 million each year, but this allocation, while "permanent," had to be renewed by the General Assembly every biennium.



Governor Paul Patton signs House Bill 328

House Bill 328, passed this year, changing the formula for allocating the state's private bonding authority, increasing KHC's capacity to offer low-interest home loans. Almost 2,000 families received a KHC loan in 1998. The average purchase price: \$61,230.

Rental opportunities were provided to 15,900 families through KHC's variety of rental production and assistance programs.

KHC's Specialized Housing Resources Department officially started in 1997 and helped over 2,090 families with \$4.1 million in fiscal year 1998. During this fiscal year, KHC provided housing assistance to 253 households rendered homeless by the disastrous flooding in parts of northern Kentucky bordering the Ohio River. Later, the flood relief program was commended by the federal government and used as a model by other states.



Flooding, Northern Kentucky

1999



Governor Paul Patton announces the transfer of unclaimed lottery prize winnings to AHTF.

Unclaimed lottery winnings for AHTF totaled \$5.8 million, which assisted more than 2,200 families, 190 projects, and \$122 million in leveraged funds. This was the largest contribution the AHTF had ever received. The Small Multifamily Affordable

Loan (SMAL) Program was launched to provide financing for developments with 11 or less units. SMAL was compatible with many of the other housing production programs KHC already administered, including AHTF, making it even easier for affordable homes to be built in the Commonwealth.

The Renaissance Kentucky initiative to revitalize downtowns launched in 1997 and had 41 participating communities. It also received HUD's John J. Gunther Blue Ribbon Best Practices Award, and was also selected as a regional semifinalist in the Council for State Governments Innovations Awards Program.

Homeownership rates were increasing in the state, and Kentucky's rate was 75 percent compared to the national rate of 66.3 percent. The 1999 fiscal year saw another 1,279 Kentuckians become

homeowners through KHC. The *Yes, You Can...Own a Home* program saw a boost with a HUD grant of \$290,281.

On October 20, 1999, KHC lost a friend and a piece of its heart with the passing of Mae Street Kidd. Her legacy lives on in the legislation she created and the lives that she improved through her work. A plaque and her picture still hang in the lobby of KHC as a reminder of her dream and KHC's mission to provide safe, quality housing for Kentuckians who, without KHC and its partners, would go without.



2000

The General Assembly played an important part for KHC this year. They raised KHC's debt ceiling for the first time in 18 years to \$2.5 billion, enabling an additional 30,000 families to be served. The legislature also continued the allocation from unclaimed lottery winnings to the AHTF for two more years, and they allocated \$12 million from the state general fund for the next biennium for Renaissance Kentucky, which received the Blue Ribbon Best Practices Award from HUD.

KHC's single-family program reached a major milestone by assisting its 50,000th homeowner, Anthony Hibbitt of Bowling Green. Along with the keys to his house, this single father of three received keys to the city.



Anthony Hibbitt and Family, KHC's 50,000th homeowner

KHC's income and purchase price limits were increased to provide more opportunities for homeownership. In June 2000, KHC had its largest production month ever for KHC home mortgages with 328 loans totaling \$22,317,000, for a total of 2,735 families receiving a mortgage in fiscal year 2000.

Also, specialized housing initiatives continued to make a difference for needy Kentuckians with 25,000 receiving assistance from these programs. Through the FSS Program, 18 families became homeowners. KHC assisted 15,839 households with Section 8. And after years of preparation, KHC made it through Y2K unscathed.

2001

KHC contracted with Morehead State University to conduct a statewide homeless study, and with the University of Louisville to conduct a statewide housing needs assessment.

Congress passed legislation raising the Low Income Housing Tax Credit and tax-exempt private activity bond caps. The increase in Low Income Housing Tax Credit enabled an additional 500 units of affordable housing to be created in the state. The changes to the bond cap provided an estimated additional 700 Kentucky families with a low-interest loan.

Universal Design policy was adopted by the Board of Directors to require building concepts that support minimal alteration to accommodate the changing needs of current and future residents.

2002



KICH

KHC was one of eight state HFAs selected to participate in the National Homeless Policy Academy by HUD and

U.S. Department of Health and Human Services. Participation in this event led to the creation of the Kentucky Interagency Council on Homelessness (KICH). The KICH originally had ten members but has expanded to over 20 agencies, nonprofits, and advocacy organizations that develop policy and plans to meet the needs of Kentucky's homeless.

This year, the General Assembly adopted the higher federal income guidelines for use in qualifying home buyers rather than lower state income guidelines. This opened KHC's programs to approximately 29,000 more Kentuckians. The maximum home purchase price was raised by Board of Directors from \$99,000 to \$144,000. These two changes increased KHC's monthly loan production average by more than one-third.

2003

AHTF received a total \$6.2 million for 2003 and 2004 by the General Assembly following the discontinuance of the lottery fund appropriation. KHC partnered with housing advocates across the state on a public awareness campaign to find a permanent funding source for the AHTF.

KHC began to offer a conventional single-family loan product for applicants who only needed to finance 90 percent of the purchase price. During the 2003 fiscal year, 2,621 Kentuckians received a KHC loan and 1,368 received down payment assistance with their loan.



AHTF Check Presentation, Louisville

The Corporation received \$454,280 from the Corporation for Supportive Housing to integrate state systems, help establish 532 units of supportive housing, and increase awareness of the need for supportive housing. This grant was one of the first efforts of the KICH and was an important step in meeting the needs of Kentucky's homeless.

2004

The *Housing Needs Assessment: Phase II* revealed that housing conditions (adequate plumbing and kitchens and crowding) were improving; however, the need for affordable rental housing was continuing to grow. KHC continued to administer rental assistance to almost 23,000 individuals and families with Tenant-Based Rental Assistance, 22,725 Project-Based Rental Assistance units, and 5,311 households with the Housing Choice Voucher Program.

KHC's Down payment Assistance Program (DAP) expanded and offered up to \$10,000 to qualifying households for down payment and closing costs. During the 2004 fiscal year, KHC made 2,629 Kentuckians homeowners.

Through the use of Low Income Housing Tax Credits, 1,721 units were produced, and the HOME Program awarded over \$24 million bringing another 1,791 units of affordable housing.

2005

The Recovery Kentucky initiative was launched to address the state's drug and homeless problem by building ten housing recovery centers across the state. A partnership between KHC, the Federal Home Loan Bank, Kentucky Department for Local Government, Kentucky Department of Corrections, and nonprofits and private developers, it was the first of its kind and is frequently used as a model by other states.



The program addresses the need for long-term residential substance abuse recovery services in a supportive housing setting. It provides an alternative to incarceration for drug-dependent offenders referred by the courts or the Department of Corrections. This substance abuse housing recovery program focuses on self-help, education, and peer-directed intervention to help men and women recover from chemical addiction and to gain self-sufficiency.

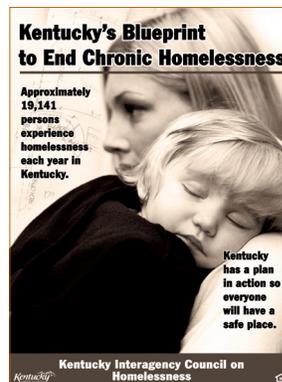
Also in 2005, the Don't Borrow Trouble® Kentucky (DBTK) task force was formed. DBTK was one of the most important homeownership initiatives to come to the Commonwealth and was a two-pronged program that combined an extensive public education campaign with comprehensive financial counseling and education services to help families avoid scams and resolve financial difficulties in an informed manner.



This campaign worked to educate the public on a broad range of unscrupulous tactics from "too-good-to-be-true" home loans to seemingly friendly payday lending and intrusive door-to-door contractors.

KHC launched the Housing Choice Voucher to Homeownership program for Section 8 rental assistance participants, which allows eligible Section 8 renters to use their rental assistance toward a KHC home loan monthly payment instead of rent.

2006



Kentucky's Ten-Year Plan to End Chronic Homelessness was unveiled by then-Governor Ernie Fletcher. The plan was developed by the KICH and KHC with public input from 12 community forums held across the state. The plan was created in response to President George W. Bush's charge to cities and states across the country to end chronic homelessness.

Specialized housing initiatives gained speed as construction started on seven Recovery Kentucky centers, and the new Safe Havens Program provided housing for 776 individuals (victims of domestic violence, persons with mental illness, and homeless families).



House Bill 338 created a permanent funding source for the AHTF by implementing a small increase in fees on new mortgages, recorded deeds, and 21 other instruments recorded by county clerks.

The single-family program broke the previous record of \$358 million in loans in a single year by producing over \$500 million in fiscal year 2006.

2007

ScholarHouse KHC launched Scholar House, a housing and education initiative, and approved funding for developments in Louisville, Bowling Green, and Owensboro. Modeled from the successful Virginia Place, built in Lexington in 1986, participants in Scholar House must be a full-time student in a degree or specialty institution of higher learning. They receive counseling and attend workshops on health maintenance, parenting skills, management of family resources, and many others to ensure their success when they graduate from the program.



Scholar House Groundbreaking

The AHTF, HOME Program, SMAL Program, and Low Income Housing Tax Credits funded 16 recipients around the state for a total of \$9 million to create approximately 631 units of affordable housing. The Gap Financing Pool was created to assist nonprofits and units of local government in the acquisition or rehabilitation of homes.

2008

The Kentucky Homeownership Protection Center was created this year by the General Assembly to help homeowners avoid foreclosure, and the DBTK initiative rolled into the Protection Center. The Protection Center is a joint effort of the Department of Financial Institutions, Kentucky Housing Corporation, and many other agencies and groups across the state, and KHC administers the program. The Housing and Economic Recovery Act of 2008 (HERA) was created primarily to address the housing crisis in America. The Act had three primary divisions: housing finance reform, foreclosure prevention, and tax-related provisions designed to help first-time home buyers. The Protection Center received a \$300,000 legal assistance award and almost \$1.3 million in funding



KENTUCKY HOMEOWNERSHIP PROTECTION CENTER
Protect My Kentucky Home



House Bill 373 Signing, Raising KHC's Bonding Authority

from NeighborWorks America for foreclosure counseling, legal assistance to homeowners facing foreclosure, training for foreclosure counselors, and administrative expenses associated with running the foreclosure programs.

The 2008 Kentucky General Assembly unanimously passed legislation to increase the bonding authority of Kentucky Housing Corporation from \$2.5 billion to \$5 billion enabling approximately 25,000 more families to receive a safe, secure mortgage loan with KHC.

HUD awarded a record \$17.2 million in grants to help fund 76 homeless programs in Kentucky, an increase of more than \$2 million from the previous year's funding. Jefferson and Fayette County received a direct allocation of these funds. The Balance of State, the 118 counties outside of Jefferson and Fayette, and coordinated by KHC, received almost \$9 million.

The first two Scholar House facilities opened in Louisville and Owensboro, and three Recovery Kentucky centers opened in Florence, Morehead, and Richmond.

2009

In conjunction with the American Recovery and Reinvestment Act (ARRA), KHC launched Kentucky's Housing and Emergency Assistance Reaching the Homeless Program in addition to the Tax Credit Assistance, Tax Credit Monetization, and Weatherization Assistance Programs. The primary objectives for ARRA were to save and create jobs, provide temporary relief programs to those most impacted by the recession, and invest in infrastructure, education, health, and "green" energy.

First Home ADVANTAGE In response to a federal tax credit for first-time home buyers, KHC launched the First Home Advantage Program to assist first-time homes with down payment and closing costs.



Transitions Grateful Life Center, Erlanger

The program provided a second mortgage loan with principal and interest payments deferred until July 1, 2010.

Specialized housing programs continued

HUNGER & HOMELESS

Awareness Week

proclaimed November 15-21, as Homeless and Hunger Awareness Week in Kentucky to increase awareness of the need in Kentucky.

to gain ground as two more Recovery Kentucky centers were opened in Erlanger and Harlan, and a Scholar House opened in Bowling Green. Governor Steve Beshear

Another Recovery Kentucky center opened in Paducah in April completing the original ten centers that were planned in 2005.

The ARRA funding began to come to a close having provided a boost to Kentucky's affordable housing industry. Kentucky's Housing and Emergency Assistance Reaching the Homeless assisted 7,013 Kentuckians. The Tax Credit Assistance Program provided funding for 19 affordable housing projects. Almost 6,500 low-income households received energy-efficient repairs to their homes through the Weatherization Assistance Program.

2010

KY HOME PERFORMANCE

million grant from the ARRA. The program was a partnership between KHC, the Kentucky Department for Energy Development and Independence, and the Kentucky Finance and Administration Cabinet.

KY Home Performance was developed as a new, market-based home energy improvement program, funded through a \$4

Real estate agents are an important link between home buyers and lenders. To engage more real estate professionals and increase awareness of KHC's safe, secure home loans, KHC started the KHC-Certified Real Estate program with 459 agents receiving the designation in its first year. These agents demonstrate a commitment to providing affordable housing solutions to clients by participation in a KHC training.



Another Recovery Center opened in Owensboro in May.

KHC introduced its lowest single-family mortgage rates ever (3.375 percent without DAP/3.625 percent with DAP). Over 86,000 Kentuckians have received a mortgage loan through the Corporation.



KY Home Performance was awarded the 2012 ENERGY STAR Partner of the Year award by the U. S. Environmental Protection Agency, and over 1,000 single-family homes received energy-efficiency upgrades in 70 counties, increasing efficiency an average of 26 percent.

A study on the Recovery Kentucky program found that for every dollar spent on recovery services, there was a \$2.92 return in avoided costs and that 75 percent of participants abstained from drugs and alcohol 12 months later. Four more centers are planned in the coming years.

2011

UNEMPLOYED?

WE CAN PAY YOUR MORTGAGE.



The Unemployment Bridge Program was introduced, which provides a forgivable loan to homeowners who lost their jobs or had a significant reduction in income through no fault of their own. KHC received almost \$149 million for the program from the U.S. Treasury Department.

Despite the economic downturn that started in 2008, KHC continued to serve Kentucky home buyers. In fiscal year 2011, 1,281 Kentuckians achieved the dream of homeownership through KHC. Over 400

real estate agents became certified through the KHC-Certified Real Estate Agent program, bringing the total at the end of the fiscal year to 921.

KHC participated in the efforts to clean up and rebuild areas of Kentucky affected by major storms and tornadoes that devastated many parts of the state. On August 27, KHC started a Habitat for Humanity home build in West Liberty for the Morris family. Joyce Morris and her children will be celebrating Thanksgiving in their new home.



Joyce Morris and one of her children

KHC celebrates 40 years of leading the way home.



“HOME

is the one place in all this world where hearts are sure of each other. It is the place of confidence. It is the place where we tear off that mask of guarded and suspicious coldness which the world forces us to wear in self-defense, and where we pour out the unreserved communications of full and confiding hearts. It is the spot where expressions of tenderness gush out without any sensation of awkwardness and without any dread of ridicule.”

-Frederick W. Robertson



“HOME ought to be our clearinghouse,
 the place from which we go forth lessened and
 disciplined,
 and ready for life.”

-Kathleen Norris

KHC PROGRAMS REPORT

Kentucky Housing Corporation has spent the last 40 years providing safe, affordable, quality housing to the citizens of this great Commonwealth. We are pleased to provide an update on the programs and activities that we have been working on the past year.

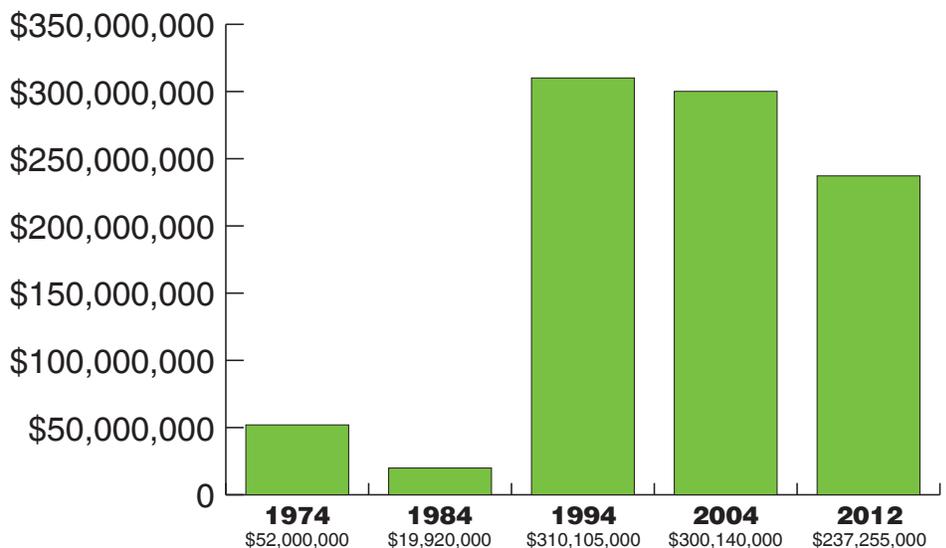
SINGLE-FAMILY PROGRAMS

Despite the housing market, 1,216 Kentuckians become homeowners with a KHC loan for a total of over \$117 million. Over 70 percent of KHC home buyers utilized the Down payment Assistance Program; these borrowers may not have been able to become homeowners without this program.

KHC Home Buyers:

- Average Age: 32
- Average Household Size: 2.17
- 25% single parents
- 90% first-time home buyers
- Average purchase price: \$97,384

SINGLE-FAMILY MORTGAGE REVENUE BONDS ISSUED



RENTAL ASSISTANCE PROGRAMS

Project-Based Rental Assistance

Provides assistance for very low- and low-income individuals and families living in designated complexes. The rental payment is made directly to the owner of the project on behalf of the resident, thereby lowering the portion of the rent paid by the resident. In fiscal year (FY) 2012, KHC administered this program with 378 properties and over 22,700 units. The average income for a resident is less than \$9,000.

Housing Choice Voucher (HCV) Program

The HCV Program goes by several other names, Tenant-Based Rental Assistance and Section 8, but the purpose of the program is the same: provide low-income families with a safe, quality, affordable place to live. Qualifying participants have a voucher they can use to locate and rent a house, duplex, apartment, or mobile home, assuming it meets HUD requirements. KHC administers this program in 87 counties, and it maintains a waiting list, which is open the months of January and July each year.

- Serves an average of 4,780 families.
- 43% of families have children in the household.
 - 9% are elderly.
 - 61% are disabled.
- Average waiting period is 3-4 years.
- 7,200 applications received in FY 2012.

Family Self-Sufficiency (FSS) Program

With the FSS Program, KHC opens—and contributes to—a savings account in the participant's name. As the participant's earned income increases, their rent share goes up accordingly and KHC's share decreases. Some or all of KHC's payment portion goes into the savings account, which graduates can spend as they wish.

In FY 2012, 21 participants graduated from the program, and KHC paid out \$75,964 for these individuals who used the funding for a variety of activities, including continuing their education, starting a business, and purchasing a home.

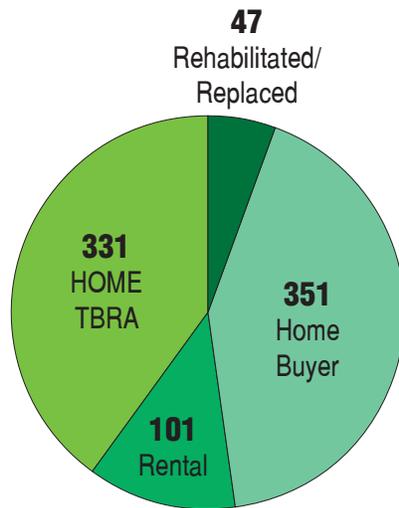
HCV to Homeownership Program

This program enables HCV participants to use their monthly assistance toward a home loan payment instead of rent. The participant must meet credit and other qualifications required for a mortgage. Almost 50 individuals took part in the program in the 2012 fiscal year.

MULTIFAMILY/HOMEOWNERSHIP PRODUCTION

HOME Program

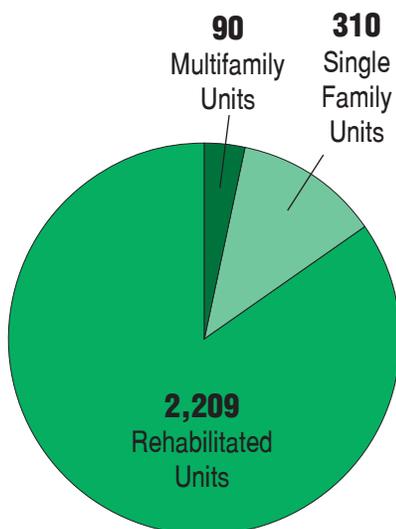
The HOME Investment Partnerships (HOME) Program provides funding for various types of affordable housing production and rehabilitation. HOME funds may be used as forgivable and/or low-interest rate loans to provide housing assistance. Nearly \$16.5 million was allocated in FY 2012 for a total of 830 units. The total allocated since its creation in 1992 is over \$290 million.



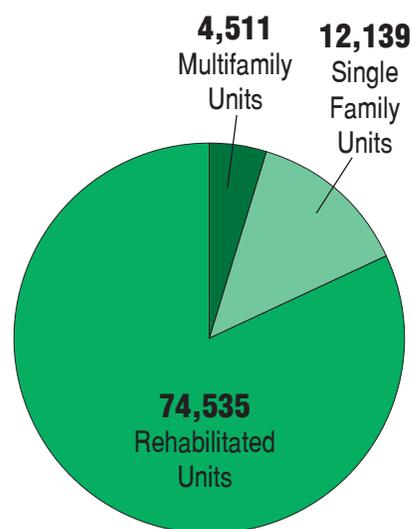
USE OF HOME PROGRAM FUNDS IN FY 2012

Affordable Housing Trust Fund

The Affordable Housing Trust Fund (AHTF) was designed to help people with critical housing needs. Since its creation 20 years ago, over \$76 million has been leveraged into \$226 million for the creation of over 91,000 units of affordable housing across Kentucky. Without the use of the AHTF, many of these projects would not have been possible.



USE OF AHTF FUNDS IN FY 2012



USE OF AHTF FUNDS SINCE 1992

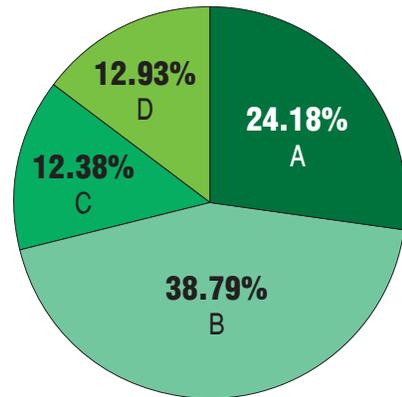
ARRA

The American Recovery and Reinvestment Act (ARRA) invested over \$3 billion in Kentucky to create new jobs and save existing ones, spurring economic activity and investing in long-term growth, and fostering unprecedented levels of accountability and transparency in government spending.

KY HEARTH

Kentucky's Housing and Emergency Assistance Reaching The Homeless (KY HEARTH) helped prevent individuals and families from becoming homeless and those who are experiencing homelessness to be quickly re-housed and stabilized. The program ended July 22, 2012. The program received and expended \$12,157,352 and served over 20,500 individuals.

- A) Financial Assistance – Homeless Assistance: \$2,939,695.08
- B) Financial Assistance – Homeless Prevention: \$4,716,484.96
- C) Housing Stabilization and Relocation Services – Homeless Assistance: \$1,505,288.62
- D) Housing Stabilization and Relocation Services – Homeless Prevention: \$1,572,060.39



KY Home Performance

This program received \$4.2 million in federal funding through ARRA to assist Kentucky homeowners in making energy efficiency upgrades to their homes. Over 1,400 homes received a whole-house energy evaluation, which identified areas the home could be more energy efficient, safe, and comfortable, and over 1,000 homes actually proceeded with upgrades.

Tax Credit Assistance Program (TCAP)

TCAP received \$31,471,073 and expended all of these funds in seven projects (300 units) to stimulate affordable housing construction in Kentucky.

Weatherization Assistance Program

The Weatherization Assistance Program was already in existence but received a boost of nearly \$71 million from ARRA to weatherize homes for low-income individuals. Through this additional funding, 21,122 people have been assisted in 9,368 units through June 30, 2012.

Weatherization Training Centers

Nearly \$1 million was awarded to KHC to equip community technical colleges and training centers for training current and future energy efficiency specialists. This has enabled almost 300 students to be trained to learn skills in this much-needed career.

TROUBLED ASSET RELIEF PROGRAM (TARP)

TARP was a federal program to purchase assets and equity from financial institutions.

Tax Credit Exchange Program (Exchange Program)

Combined with the TCAP, the Exchange Program assisted affordable housing construction projects that stalled when the economy slowed. Almost \$31.5 million was received, and all expended, for 685 units of affordable housing.

Unemployment Bridge Program (UBP)

The UBP provides a forgivable loan to pay the mortgage of a Kentuckian who lost his or her job or had a reduction in income through no fault of their own. UBP is operated through the Kentucky Homeownership Protection Center, which was created by the General Assembly to provide support and assistance for Kentuckians facing foreclosure.

KHC received \$148 million and has expended over \$18.8 million and over \$52.3 million has been committed. (Because the payments are made monthly, the committed amount is reserved for future payments, meaning it is being held for an individual until they use all the funds or no longer need assistance.) A total of 2,094 individuals have received UBP loans through July 31, 2012. Nearly 350 individuals have completed assistance with 99 percent remaining their home.



HOMELESS PROGRAMS AND SERVICES

Emergency Solutions Grant

In fiscal year 2012, the Emergency Shelter Grant changed to the Emergency Solutions Grant. Designed to identify sheltered and unsheltered homeless persons, as well as those at risk of homelessness, and provide the services necessary to help those persons quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness, over \$1.3 million was contracted to 47 projects. Through this funding, 7,123 homeless persons, and 4,450 households were served.

Housing Opportunities for Persons with AIDS (HOPWA)

This federally-funded program provides resources to devise long-term, comprehensive strategies for meeting the housing needs of low-income persons with HIV/AIDS. In fiscal year 2012, over \$500,000 was allocated to four agencies. To date, HOPWA has served 234 clients.

Kentucky Transitions

Kentucky Transitions is a partnership between the Kentucky Department for Medicaid Services, the University of Kentucky, and Kentucky Housing Corporation. Kentucky Transitions allows eligible individuals to transition from institutional settings back into the community. Since the program began in 2008, 114 people have been served.

Recovery Kentucky

Recovery Kentucky was created to help Kentuckians recover from substance abuse, which often leads to homelessness. A report released in 2012 demonstrated the success of the Recovery Kentucky program, finding that the number of individuals who were abstinent from alcohol six months after they were discharged was 93.3 percent. For every dollar spent on treatment for this sample of clients who were in recovery in 2009-2010, the avoided costs can be estimated as \$2.92. Over 1,388 clients have completed the program but the need is still great. There are almost 1,000 men and women waiting to get into one of these centers.

Shelter Plus Care

Shelter Plus Care (S+C) provides rental assistance for homeless persons with disabilities and their families who need housing, as well as access to supportive services to live as independently as possible. Two agencies received \$436,932 in fiscal year 2012 and served 157 clients.

Supportive Housing Program

The Supportive Housing Program provides funds for the development of supportive housing and supportive services, including innovative approaches to assist homeless persons in the transition from homelessness. SHP also promotes the provision of supportive housing to homeless persons to enable them to live as independently as possible. Over \$7.8 million was allocated in fiscal year 2012 to 49 projects, serving 4,565 individuals.

HOMELESS PROGRAMS AND SERVICES

Samaritan Project

The Samaritan Project is a permanent housing program. A housing voucher is issued to the participant, following third-party verification of income, chronic homelessness, disability, and household composition. Over 90 clients were served in fiscal year 2012, with a total of \$539,471.

Chaffee Room and Board Program

The Chaffee Room and Board Program provides rental assistance for young adults between 18 and 21 who are aging out of the foster care system. The program transitioned to KHC in 2012. From July 1, 2011 to June 30, 2012, 195 participants were served, with 129 receiving rental assistance, 43 receiving a voucher but not leasing a unit, and 23 receiving a voucher and still looking for a unit.

SOAR (SSI/SSDI Outreach, Access and Recovery)

SOAR is a national initiative to provide training to case managers and other social service workers as they assist their clients in applying for disability benefits through the Social Security Administration. KHC held six training for 140 case managers in fiscal year 2012.

Housing Now

Housing Now is a permanent rental housing voucher program available through a referral process to Kentucky Housing Corporation. This is a two-year grant and 40 clients were served in the first year.

Scholar House

Scholar House is a housing and education initiative that enables the head-of-household to reach self-sufficiency. The housing and education components are operated as one unit, with housing depending on the client's successful participation in the education. Since inception, 263 individuals have completed the program and 382 are currently participating.



“HOME

is a name, a word, it is a **strong** one;

stronger than magician ever spoke, or

spirit ever answered to,

in the strongest conjuration.”

-Charles Dickens

