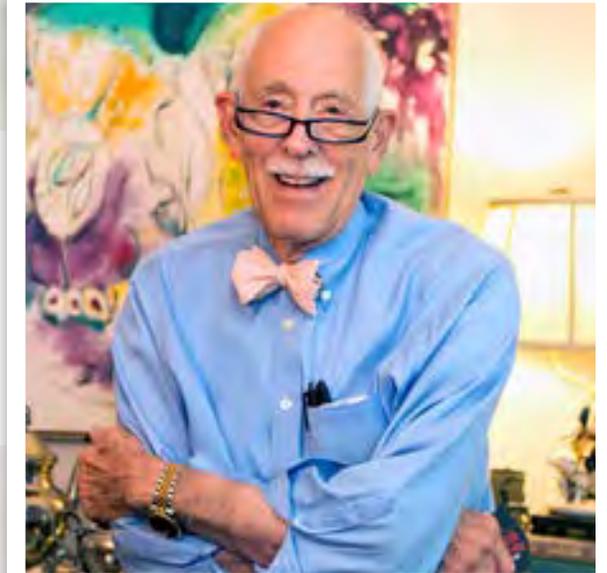


2015 Annual Impact Report





KHIC

Kentucky
Housing
Corporation



Investing in quality housing solutions.

Who we are...

As Kentucky's **housing finance agency**, KHC is a **self-supporting, quasi-governmental** agency that invests in affordable housing solutions for Kentuckians.

Housing Finance Agency



Government-created entity established to meet the state's unique affordable housing needs through the use of housing bonds, housing credits, and other federal resources.

Self-Supporting



KHC receives no state general funds. Corporate expenses are paid through income from the tax-exempt mortgage bond program and fee income from federal program administration.

Quasi-Governmental



Created in 1972 by the legislature as an independent, municipal corporation, KHC operates under the direction of a Board of Directors who are appointed by the governor.

What we do...

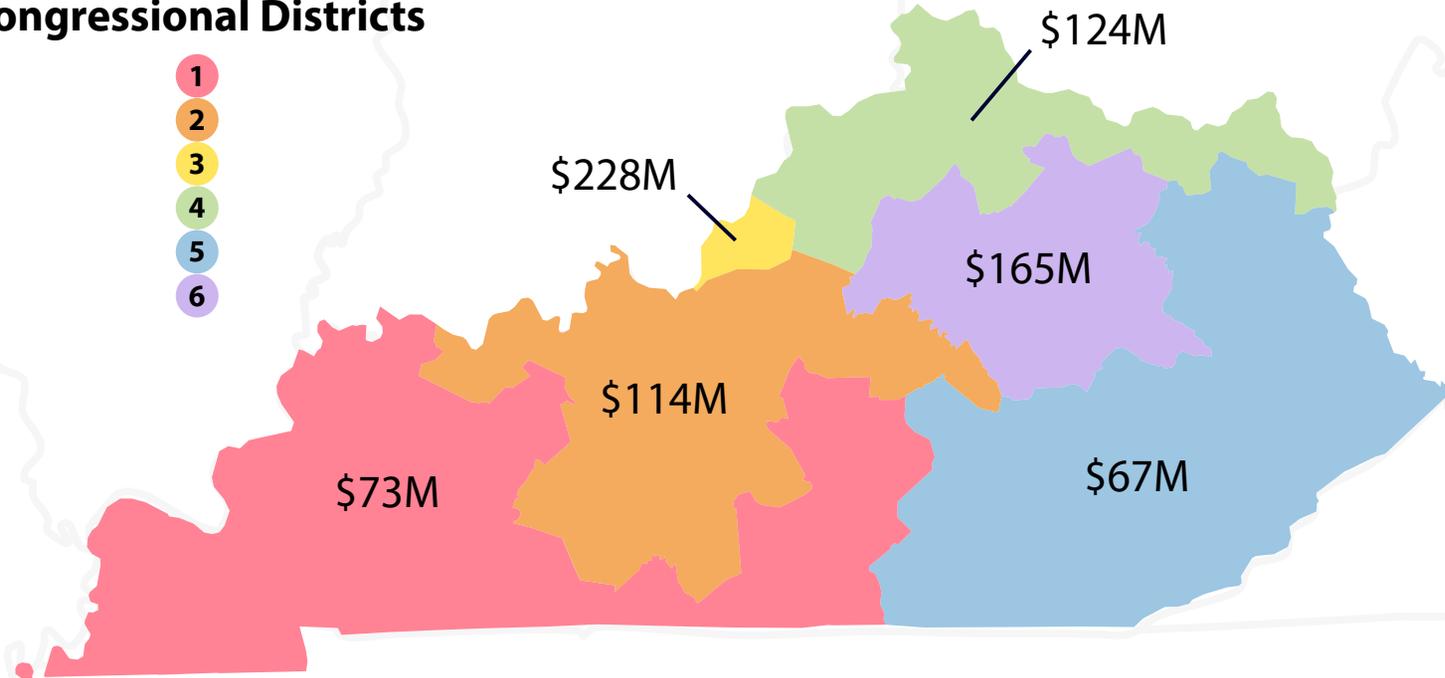
In partnership with state and federal agencies, KHC administers programs that assist low- and moderate-income households, homeless persons, and people in need of housing with supportive services, by financing homeownership opportunities and affordable rental homes.

\$771 Million

Invested in housing solutions for Kentucky families and communities.

Congressional Districts

- 1
- 2
- 3
- 4
- 5
- 6



To Assist:

Homeowners



Renters



Homeless and Special Needs



Through:

*Affordable mortgages,
foreclosure prevention,
energy efficiency*

*Rehab and construction of
affordable apartments,
rental assistance*

*Supportive housing, short-term
housing assistance*

Homeowners

For over 43 years, KHC helped Kentuckians realize their dream of homeownership. With low, fixed-rate financing and down payment assistance, as well as options for federally-insured mortgage products, a loan through KHC meets the financial needs of many low-to-moderate-income Kentuckians.

Through challenging economic times, KHC has helped thousands of Kentuckians avoid foreclosure as they recovered from job loss. KHC's homeownership education and counseling programs prepare new homeowners to maintain their most costly investment—their home. For homeowners struggling to make their mortgage payments due to changed circumstances, KHC provides options for counseling, as well as financial assistance.

As energy costs rise, KHC provides affordable loan products and federal assistance to help Kentucky homeowners save energy and money while improving the comfort of their home, as well as enabling low-income Kentuckians to meet their home heating and cooling needs.

KHC Invests in Kentucky Homeowners

\$256M
in KHC financing

60% of borrowers used KHC's down payment assistance.



2,224
New homeowners



1,267

Homeowners received financial assistance to prevent foreclosure.

4,028

Homeowners received KHC housing counseling.



1,283
Homeowners

- ↑ Improved energy efficiency.
- ↑ Lowered energy bills.
- ↑ Received help to meet heating and cooling needs.



*Paige, Homeowner
Shaping Our Appalachian Region (SOAR) Special Funding Program*

Bringing investment to Appalachia. To encourage homeownership in Johnson and 53 surrounding Appalachian counties, designated as SOAR, KHC invested \$8.1 million in mortgage revenue bond financing in the region. New home buyers with low-to-moderate incomes, like Paige, were able to purchase homes with very-low, 1 percent interest mortgage loans. Paige's KHC loan saved her over \$300 on her monthly mortgage payment.

"With the economy how it is, if my husband or I were to lose our job, we could still keep our house, thanks to this program." –Paige



*Lesia, Homeowner
Unemployment Bridge Program*

Preventing foreclosures. Shortly after her divorce, Lesia lost her job through downsizing, and keeping her three children in their Fayette County home became her priority. With the help of REACH Inc., a local nonprofit, Lesia received a forgivable loan through a U.S. Department of Treasury award to Kentucky as a state hit hard by the foreclosure crisis. KHC will make Lesia's mortgage payments for up to 18 months, preserving her home for her family, while she finds new employment.

"It has been a blessing beyond words! I never thought I'd have to use a program like this, but life can turn in an instant." –Lesia



*Selvin, Maura, and Family, Homeowners
Down payment Assistance Program*

Partnering in the American Dream. As his family outgrew their rented residence, Selvin dreamed of owning a home for his family. KHC's multilingual staff provided guidance on the home buying process to Selvin and his wife, Maura, and helped them understand the requirements of a KHC mortgage. Today, Selvin, Maura, their daughter, and their grandson all live together in a spacious home in Franklin County that they call their own.

*"Compra una casa es, un ahorro por la familia de tener su propia vivienda y en el futuro de sus hijos."
[Owning a house is an investment in the future of the family and the future of the children.] –Selvin*



*Beverly, Homeowner
KHC Loan Servicing*

Making homeownership easy. Beverly rented for many years before pursuing homeownership through a KHC mortgage two years ago. Now she, her son, and their dogs live in a beautiful home in central Kentucky. Beverly appreciates having her loan serviced in Kentucky by KHC staff and enjoys the ease of having taxes and insurance paid through her KHC escrow account.

"[Having a loan through KHC] is so easy and cheaper than rent!" –Beverly



*Steve, KHP Contractor, and Bill, Homeowner
KY Home Performance*

Reducing energy costs. Bill faced extreme utility fee increases, which placed stress on his finances even after he participated in the budget payment plan with his utility company. In partnership with Warren Heating and Air, an approved KHC energy contractor, and after receiving low-interest KHC financing, Bill made improvements to his home in McCracken County that decreased his energy bill by more than half! Bill received a \$1,500 rebate check, for overpayment in utilities, a few months after completion of renovations.

“The whole process has been easy and worthwhile. I recommend it to anybody that wants to save money on their power. This is the best way to go!” –Bill



*Emory and Jeannie, Homeowners
Weatherization Program*

Improving energy efficiency. Emory and Jeannie love their two-story farmhouse in Letcher County, but it lost cool air in summer and allowed cool air inside in winter. Through KHC federal weatherization grant funding, low-income homeowners, like Emory and Jeannie, can make their homes more energy efficient and lower energy bills. Just a week after their energy audit, Emory and Jeannie's home repairs were completed, sealing air leaks and making their home more comfortable and cost-effective all year long.

"I think this program is great for people who are low income and can't do anything about repairing their homes." –Emory

Renters

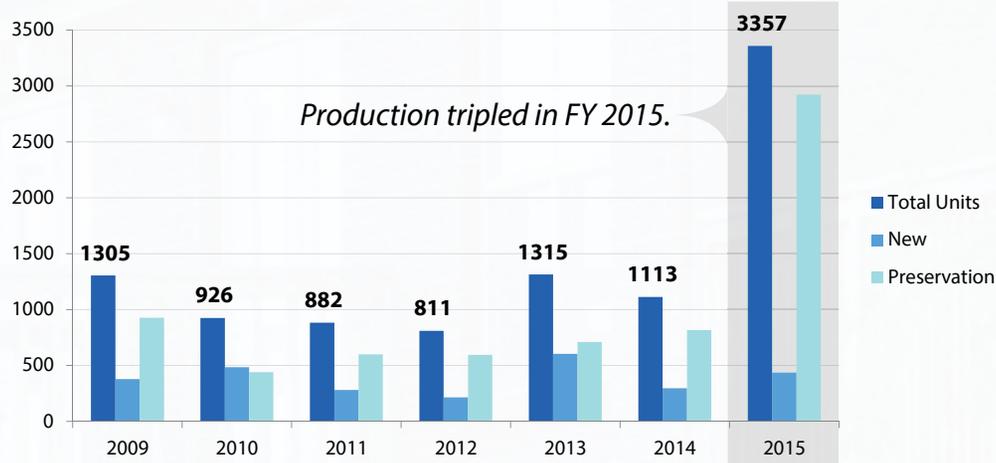
Through partnerships with private property owners, who receive an allocation of income tax credits for housing low-income families at or below 60 percent of area median income, as well as through rental assistance to make an apartment affordable, KHC has provided opportunities for thousands of Kentuckians to rent affordable places to call home.

KHC's Low Income Housing Tax Credit (Housing Credit) Program created investment of more than \$92 million in private equity funds to build and preserve the state's affordable rental housing. Housing Credits provide an important, flexible financing mechanism for developing new rental homes, preserving older apartment complexes, and sustaining rental housing in communities, as well as supporting special initiatives, such as rental housing for single-parent families pursuing an education.

KHC assisted over 27,000 Kentuckians in 2015 by paying a portion of their rent, allowing them to live in a safe, quality apartment, investing over \$150 million in federal rental assistance funding to keep low-income residents housed.

KHC Invests in Kentucky Renters

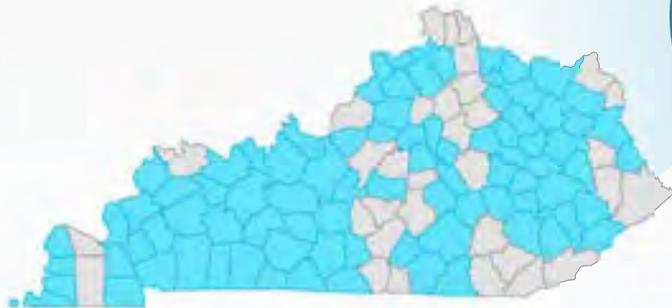
KHC Rental Unit Production



\$238M
Invested in Affordable Rental Units in Kentucky

In 2015, using an innovative blend of resources, including tax-exempt bonds, KHC tripled the number of rental units it assisted in a year.

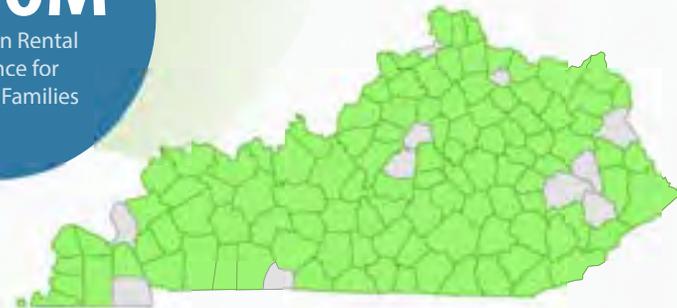
KHC serves as the public housing authority, providing rental assistance in 86 Kentucky counties



Tenant-Based Rental Assistance
Assistance that stays with the person.

\$150M
Invested in Rental Assistance for Kentucky Families

KHC administers project-based assistance for 376 properties across Kentucky.



Project-Based Rental Assistance
Assistance that stays with the rental property.



*Laura, Renter
HOME Program*

Breathing life into historic buildings. Downtown Springfield's Robertson Building, once a thriving retail store, sat vacant for years and risked demolition when city leaders and partner developer, AU Associates, stepped in. Through KHC funding that totaled \$1.6 million from three federal programs, the building has become a revitalized historic venue providing affordable rental housing in the community. New tenant, Laura, who in high school was a sales clerk at Robertson's Store, now happily resides in one of the upstairs apartments above fully-renovated retail space below.

"[I] don't make enough to own my own home. This has made a HUGE difference in the quality of my life." –Laura



*Melvin, Beatrice, and Family, Renters
Low Income Housing Tax Credit Program*

Revitalizing neighborhoods. Efforts to house low-income families have dramatically improved over the years. Where once there were boxy, unattractive apartment buildings, now stand beautiful townhomes and welcoming multifamily properties. The area of Lexington known as Bluegrass Aspendale is one such example. The Lexington Housing Authority used KHC Low Income Housing Tax Credits to revitalize an area that had begun to crumble. Now, families like Melvin and Beatrice's live in affordable apartments with back yards that they can proudly call home.

"I love the quiet, the peacefulness. It's a good neighborhood." –Melvin



*James and Amy, Homeowners
Family Self-Sufficiency Program*

Building financial independence. James and Amy worked with KHC for over five years to achieve economic independence and own their own home. They learned employment skills, money management, and about how to own a home. Then, they established a step-by-step plan to increase earned income and reduce dependency on assistance. Upon completion, the couple earned a check for over \$27,000*, which they used to make repairs to a family home in Oldham County and start saving for their future.

“KHC enabled us to have the funds to fix a house that was falling apart, for us to have a place to live.” –James

*Saving amounts vary based on client participation; funded through U.S. Department of Housing and Urban Development.



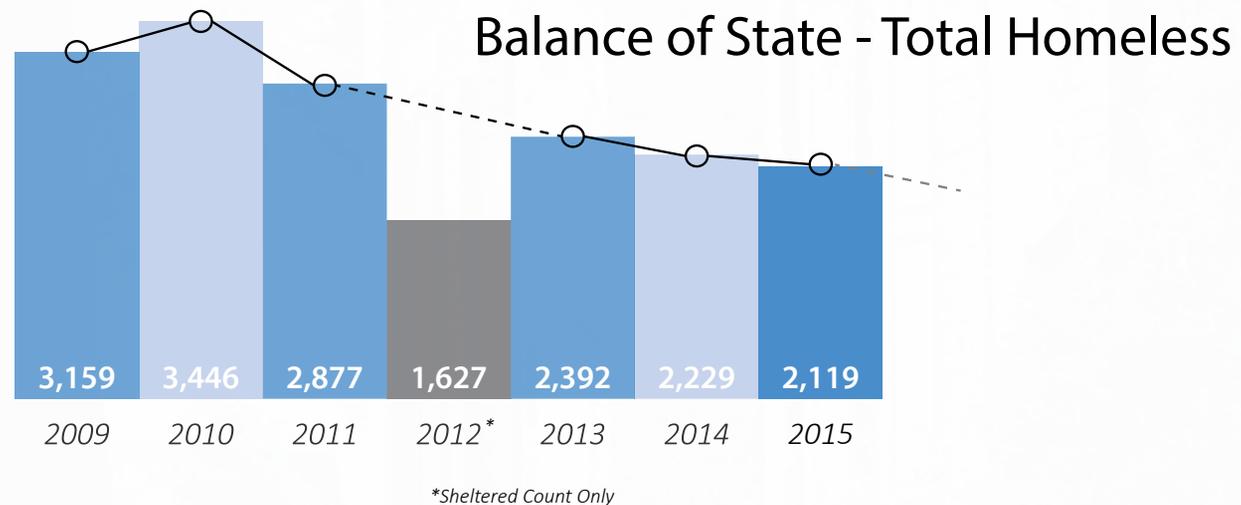
Joseph, KHC Property Inspector, and Dee, Renter Housing Choice Voucher Program

Safeguarding Kentucky renters. Soon after mold was found growing in her apartment, Dee had to evacuate her rental home. When she contacted the enforcement agency, Dee learned the property was going to be condemned. Panicked, she contacted Joseph at KHC who worked quickly to find Dee new, safe rental housing using her federally-funded housing voucher in less than a week.

“KHC staff worked on Veterans Day to insure I would not become homeless! I am extremely fortunate and grateful.” –Dee

Homeless and Special Needs

In 2015, on any given night, over 2,100 individuals were homeless in the 118 Kentucky counties where KHC administers homeless prevention programs and homelessness assistance. KHC's annual count of the homeless in our state helps direct investment of our federal funds to areas of greatest need.



Through KHC's partnerships with local housing and service providers, federal financial investments help homeless or those at risk of homelessness quickly regain stability in housing. Due to these targeted efforts, KHC has seen a steady decline in the number of homeless statewide over the past five years.

KHC Invests in Kentucky's Hardest-to-Serve



7,994

Homeless Kentuckians provided shelter or housing solutions.



118

Single parents completed an advanced degree while in stable, supported housing.



116

Youth aging out of foster care, guided to stable adult housing and transition services.



*Simone, Recipient
Chafee Room and Board Initiative*

Building bright futures. When transitioning from foster care into the adult world, Simone received assistance through KHC's Chafee Room and Board Initiative to pay up to 12 months' rent, rental deposits, utilities, and help obtaining household items. During this time, when many youth aging out of foster care are in danger of becoming homeless, Simone was guided by a case manager who provided support for her successful transition to adulthood. Today, Simone works in a daycare and plans to complete her nursing degree at Bluegrass Community and Technical College. Daily, she uses the skills acquired through the Chafee Room and Board Initiative to manage her life and finances.



*Breondra, Recipient, and Son
Scholar House of Paducah*



*Amy, Graduate
Stoddard Johnston Scholar House*

Supporting advanced education for single parents. Breondra worked full time to support her family and decided to delay her education. Amy was living in poverty. Both women just needed a little support to achieve their dream of an advanced education. Through KHC's investment in construction and rental assistance for Scholar House locations, single parents can obtain rental assistance, receive counseling and parenting education, and gain support from neighbors and staff, while working on academic or vocational coursework as full-time students. With KHC's support, Breondra completed her associate degree and is working on her bachelor's degree. Amy, a 2014 class valedictorian, obtained degrees in psychology and social work and is now employed.

"My daughter can see what an education can do for a family." –Amy



Amy, Renter
Veterans Emerging Towards Transition (VETT) Program

Housing Kentucky veterans. Amy served in the U.S. Navy, but when her husband abandoned her, taking all their possessions, she faced eviction and the possibility of losing her three sons. With help from Clark County Community Services, a local KHC partner, KHC helped Amy pay rent through federal funds dedicated to house Kentucky veterans. In a few months, Amy obtained stability for herself and her sons who now live in a quality, single-family rental home in Clark County.

“Without KHC, not only would I not have a home, I wouldn’t have my children.” –Amy



Tammy, Rental Director of People's Self-Help Housing, and Dawn, Recipient Rapid Re-housing Assistance

Sheltering families in crisis. KHC partners use funds from KHC programs to house Kentuckians in emergency situations, which is what People's Self-Help Housing (PSSH) did for Dawn and her family when their house was destroyed by fire in November 2015. PSSH was able to re-house the family just days after learning about their situation. Dawn misses the house she shared with her husband and children, but appreciates having an apartment to call home for Christmas.

"At least we have somewhere [to call home]. You appreciate a lot more when you've got kids to look out for." –Dawn

Economy

Housing is part of the foundation that encourages families and communities to succeed. KHC's investment in affordable housing in Kentucky makes an economic impact in our local communities and creates and sustains jobs.

Economy

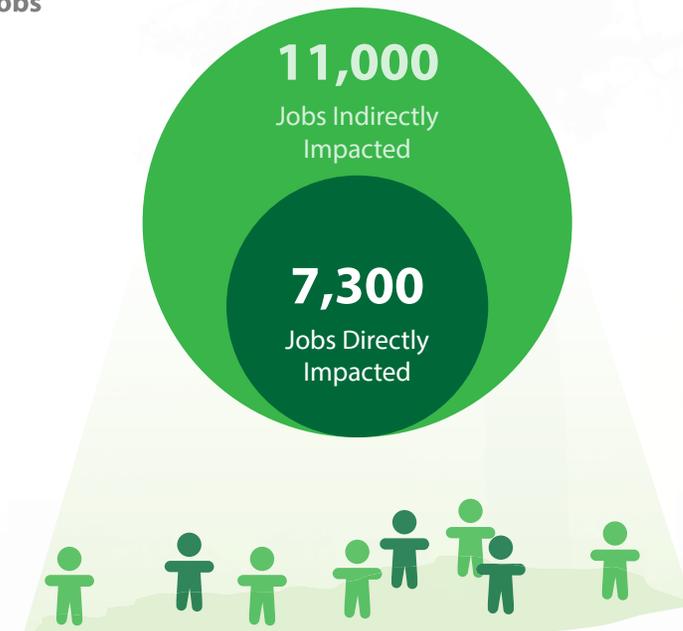


\$1 Billion

Impact on Kentucky from KHC's 2015 Investment

The Economic Multiplier Effect—The impact of new housing, rehabilitated housing, rental payments, single-family financing programs, and homeless assistance is more than the dollars directly invested by KHC. Funding for affordable housing directly impacts construction, leasing, finance, services, and other industries. For example, construction creates demand in industries that provide lumber, concrete, plumbing, electrical, heating and air conditioning, and other products.

Jobs



The Employment Multiplier Effect—Affordable housing programs create and maintain jobs. Jobs in finance, construction, services, property management, leasing, legal, engineering, and other related professions are directly benefited. In addition, the employment impact is felt throughout the community and state in other jobs that benefit from the economic impact of the wages paid.

Economy | Impact



Jimmy, employee at Home Lumber Co.

Investing in local businesses. When developers use KHC funds to build new or rehabilitate existing housing in Kentucky communities, they support local businesses by purchasing materials for construction and employing local labor. Home Lumber Company has provided lumber to Housing Development Alliance, a KHC partner in Perry County, for over a decade. Because of the dozens of projects completed by Housing Development Alliance every year, many funded through KHC programs, Home Lumber has employed more Perry County residents.

“Any money spent here, stays here, most of the time. It’s a good thing for this part of Kentucky.” –Jimmy

Kentucky Housing Corporation is an Equal Opportunity Employer and prohibits discrimination and harassment of any kind. KHC fully supports the principles of the Fair Housing Act (Title VIII of the Civil Rights Act of 1968), as amended.



KHC Audited FY 2015 Financial Statements, as well as the digital version of this document, are available at www.kyhousing.org.



No state funds were used to produce this document.