

Impacting Critical Housing Needs

Overview

Having access to affordable housing helps create family stability and improves education outcomes for children so families can grow and thrive.

For people with fixed incomes, such as seniors, disabled, veterans, or cost-burdened working families spending more than 30 percent of their income on housing, having access to safe, quality, and affordable housing is critical in preventing homelessness and sustaining stable housing.

For every 100 extremely-low-income households (30 percent AMI), there are only 35 affordable housing units; for every 100 very-low-income households (60 percent AMI), there are only 76 affordable housing units available.

According to the National Low Income Housing Coalition, the fair market rent for a two-bedroom apartment is \$683. To afford this rent plus utilities at minimum wage, a person would have to work 72 hours per week, or the household would need to include 1.8 full-time workers at minimum wage to afford a two-bedroom unit. A single person working a 40-hour week would need to make \$13.14 per hour to afford a two-bedroom apartment at fair market rent.

Urban and rural housing needs are varied, but affordability is a common theme impacting sustainable, desirable, and thriving communities.

AHTF Goal

The goal of the AHTF is to make homes attainable by providing ongoing, dedicated, and sufficient sources of funding to build, rehabilitate, and preserve units of housing for Kentucky's lowest-income families who are below 60 percent of the area median income, with a preference to help persons at or below 30 percent of the area median income.

Using AHTF to fund projects gives Kentucky the ability to make critical repairs without restrictions tied to federal resources. Nonprofit housing partners apply for flexible funding to create, rehabilitate, and preserve housing that is critical for successful and sustainable outcomes.

Investment Impacts

The long-term impacts of the AHTF not only significantly and positively affect families who have been helped, but the additional spending through the creation and preservation of housing generates an economic ripple through job creation, and revitalizing neighborhoods. Since inception, the AHTF has generated more than \$1 billion through leveraged funds for the state's economy.

Together, affordable housing, education, jobs, and healthcare are critical in creating and sustaining thriving families and communities.

While many Kentuckians have been helped, more are struggling to survive under inadequate housing conditions because the need exceeds available funding.

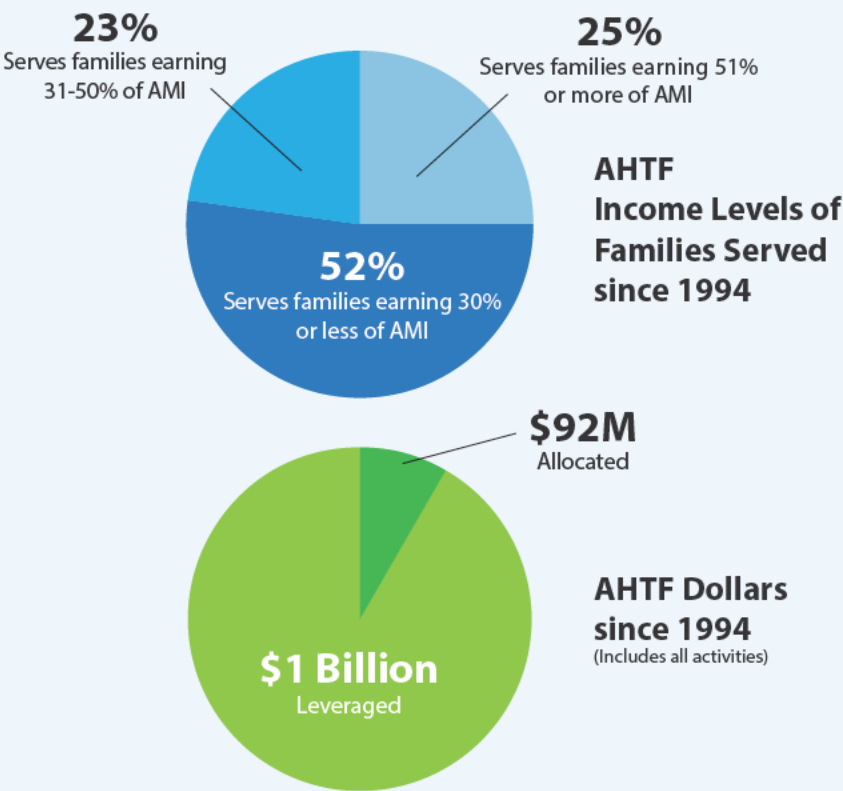
Kentucky's Affordable Housing Trust Fund

Impacting critical housing needs.

The Affordable Housing Trust Fund (AHTF) was established as a flexible source of funds designed to help people of low income with critical housing needs.

AHTF Accomplishments

- The AHTF serves very-low-income individuals and families at 60 percent or below of the area median income (AMI).
- Allocated more than \$90 million since 1994.
- Leveraged more than \$1 billion in other funds since 1994.
- Loaned over \$20 million and granted over \$70 million.
- Created more than 10,000 units of affordable housing consisting of 3,917 rental units and 6,554 single-family homes.
- More than half of AHTF dollars were allocated to families who earn less than 30 percent of the AMI.
- 70 percent of funding allocated to rural housing.
- 30 percent of funding allocated to urban housing.



Housing Cost Burden and Unmet Demand

- The poverty rate in Kentucky remains very high, especially in the Appalachian region. The state poverty rate is currently 18.08 percent and includes more than 750,000 persons.
- There are approximately 150,000 households in Kentucky containing at least one person age 75 or older, or with one or more children 6 years old or younger, who are very-low- or extremely low-income.
- Incomes have increased 23 percent over the past 10 years, but rents have increased 27 percent, increasing the affordability gap.
- Housing cost burden continues to be the main housing problem for both renters and homeowners, although renter households are more likely to be cost-burdened. Nearly 400,000 households are cost-burdened or extremely cost-burdened, meaning they pay more than 30 percent of their income on housing.
- Of the more than 88,000 renter households in Kentucky who are **housing cost-burdened**, 97 percent have incomes below 80 percent of area median income.
- Of the more than 99,000 renter households in Kentucky who are **extremely housing cost-burdened**, 97 percent have incomes below 50 percent of area median income.
- The state is in danger of losing nearly 50,000 affordable rental housing units over the next five years as projects end their affordability period and/or are in need of rehabilitation.

Lack of safe, affordable housing forces families into crisis.



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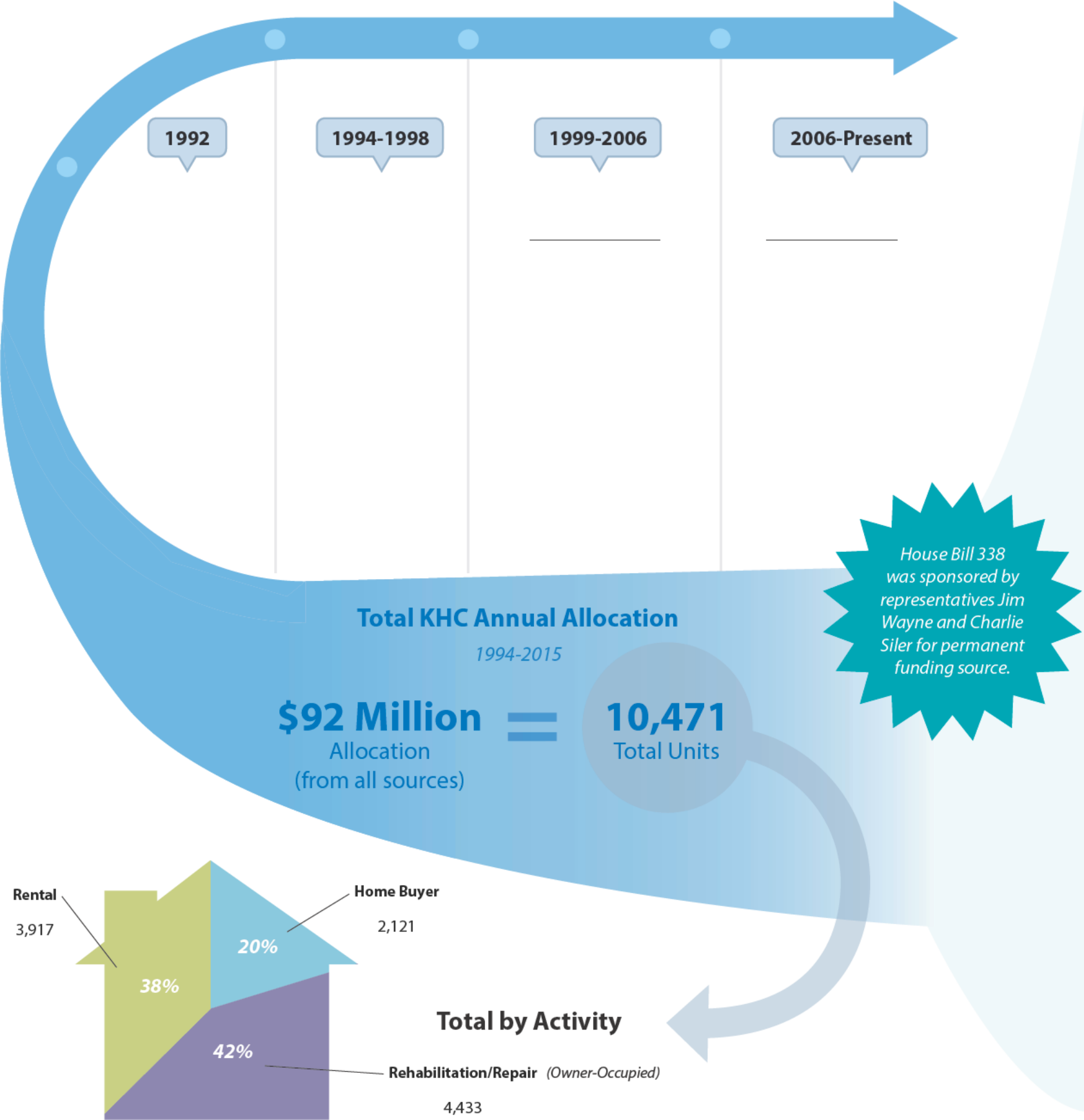
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April 2016



About the AHTF

The AHTF was established in 1992 to serve very-low-income Kentuckians below 60 percent of the statewide area median income without a dedicated funding source. The AHTF is administered by Kentucky Housing Corporation (KHC), the state housing finance agency, which is overseen by an advising committee concerning matters to the trust fund.



Success Stories - Activity Spotlight

Access to safe, quality, and affordable homes is an essential building block for families and communities to be stabilized and healthy. Below are three success stories where the AHTF made housing possible, and where these families can thrive.

Home Buyer

Urban Project - AHTF \$19,200 + Leverage \$11,700

Iskandar and Halima heard about Habitat for Humanity of Metro Louisville through a family member. They moved with their family into a new Habitat for Humanity home in Jefferson County in November 2015, which they were proud to work on themselves.

The home was built, in part, with approximately \$19,200 in AHTF monies. It means a lot to this family to have a home they can call their own. Iskandar thanked the Habitat volunteers and sponsors, saying, "Thank you, for helping us. I have learned a lot from building my own house. Thank you for your hard work!"



Rehabilitation/Repair

Rural Project - AHTF \$12,557 + Leverage \$7,500

Alberta is an elderly woman living in Campton. Her husband had been placed in a nursing home facility just before she applied for much-needed repairs on her home. They live on a very limited household income, and when he was institutionalized, their income was cut in half. Alberta had many repairs that needed to be addressed, but there was no money to get the work done. When Alberta came to Beattyville Housing and Development Corporation Inc., she was happy to learn that she could get some of the repairs completed, including kitchen cabinets, new entrance doors, bathroom fixtures, and siding to insulate her home. The before and after photos show the dramatic impact the AHTF made.



Rental

Rural Project - AHTF \$225,000 + Leverage \$225,000

Central Crossings, developed by People's Self-Help Housing Inc., provided 12 mixed-income apartments in a community setting within walking distance of downtown Vanceburg. The first two duplexes are not only quiet, they are very energy efficient. The units achieved a HERS rating of 45, meaning they are 55 percent more energy efficient than standard new construction. Heating and cooling bills are less than half of new, standard constructed homes, saving tenants, like Geneva, money. Geneva's only source of income is Social Security, and her previous utility bills averaged over \$200 each month, which was more than half her income.



Through flexibility and blending of funds, each of the duplexes was financed for \$225,000; one with a deferred, forgivable 30-year loan from the AHTF; the other with a forgivable 20-year HOME Investment Partnerships Program loan.

Average amount of **AHTF** that makes it possible to complete a project: **\$8,519.**
Without the AHTF, most organizations would be unable to complete these projects.