



**Greater  
Community  
Apartments**

# What Louisville Needs

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2018-2019 ANNUAL REPORT

LOUTRUSTFUND.ORG

# On Behalf of the Board

Affordable Housing is a crisis that never cures, but always heals. Working with my colleagues at the Louisville Affordable Housing Trust Fund for the past few years allows involvement beyond personal achievement. The entire LAHTF team strives for a mission-oriented ideology that serves the 'greater good' for this city and its citizens. This initiative not only creates homes, but jobs, better education, and even healthier households.

My pride derives not only from the funds, but the commitment of the staff, committee members, and board members to assist projects to insure success. Every project is discussed and positively critiqued

extensively resulting in not just an infusion of cash, but collective feedback from an arm's length perspective. The Executive Director, Christie, and her staff do a fantastic job of diligently underwriting each project and providing a synopsis of every project before ever receiving Board approval. I'm enamored by their organization, task driven focus, and most importantly, passion.

I am humbled and thankful to the staff and fellow members to allow me to serve with them to continue in providing assistance to over 2200 affordable Louisville homes.

**TRAVIS YATES**  
Board President



# From the Executive Director

FY2019 was both a celebratory year and one of much anticipation as Louisville Metro faced a challenging budget due to the state's pension crisis. First, the year was celebratory in that, for the first time ever, both the Mayor and Metro Council showed their support to affordable housing by allotting \$10 million to the Trust Fund! That allocation allowed the Fund to assist in the production and preservation of 594 units of housing! Over \$5 million of the funds were spent on households with incomes less than 50% AMI! That translates to households of four who make less than \$38,200 are being served by Trust Fund dollars at a higher rate than others.

A new website was launched. Since its inception, the Trust Fund shared space on Louisville Metro Government's site with one page of information. Our new site, [loutrustfund.org](http://loutrustfund.org), allows us to highlight project photos and give detailed information on available funding.

Finally, research documents were completed. We gained invaluable information from both the Housing Needs Assessment (HNA) and the LAHTH Funding and Impact Analysis. The studies provide information for both the needs of our community as well as abilities Metro Council has to dedicate funds for affordable housing. While the HNA showed that the most need is for those in our communities making less 30%

AMI, (for a family of four, that is less than \$25,750), it also showed that Louisville Metro has housing needs across the ENTIRE spectrum of household income for low and working class families.

Thus, the work continues. This year proved that now, more than ever, a dedicated source of funding should be found for affordable housing. Budgetary threats like the pension crisis will negatively impact the efforts of decreasing the need for affordability in this community. All of the investments made in previous years, i.e., that of leveraging additional dollars into the community, human capital investment, will all cease if our community does not strengthen its commitment to affordable housing.

Thank you to the members of CLOUT for your unwavering support of the Trust Fund. Thank you Mayor Fischer and Metro Council, for finding \$5 million to invest in affordable housing in spite of the challenges presented by burgeoning debt. Thank you to my board of directors for your staunch support. Thank you developers, for continuing to create projects to meet the needs of the most vulnerable in our community. Together, we can continue to serve this community's needs to the best of our abilities.

**CHRISTIE MCCRAVY**  
Executive Director



# Board of Directors

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**VICE PRESIDENT**  
Air Equipment Company

**Kathy Beach**  
**TREASURER**  
Stock Yards Bank

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RE/MAX Properties East

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Elite Homes

**Hon. Keisha Dorsey**  
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**Kim Rice**  
River City Housing

**Matthew Harrell**  
Developer

**Carol Clark**  
California Kutz Barbershop

**Joyce Burch**

**Mika McClain**  
Louisville Metro Housing Authority

**Laura Grabowski**  
Vacant and Abandoned Property Administration

*Board members are appointed by the Mayor and confirmed by Metro Council. List is current as of July 1, 2019.*

# LAHTF Staff



**Christie McCravy**  
Executive Director



**Tonya Montgomery**  
Program Compliance Manager



**Lynda Gibson**  
Administrative Assistant

# 2,246 UNITS

**TOTAL NUMBER OF HOUSING UNITS FUNDED**



**951 NEW MULTI-FAMILY UNITS**



**180  
SINGLE  
FAMILY  
HOMES**

**1,115 PRESERVED  
AFFORDABLE  
UNITS**

# Supportive Housing Services Grant Program

Supportive Housing Services are an important part of projects set forth by the Louisville Affordable Housing Trust Fund (LAHTF). In addition to the brick and mortar projects that are funded by the LAHTF, there are also supportive services needed for projects to ensure that both homeowners and renters live more stable and productive lives.

LAHTF provided Grants to several organizations whose goals reflected the principles of equal and affordable housing opportunities for everyone. Those organizations received funding for housing counseling, housing recovery, workforce

development, Pre-independent Living, Post Purchase Counseling, and Rental Readiness among many others.

By allocating grant dollars to organizations that support clients, the LAHTF provides the ability for the organizations to not only sustain the programs they have, but often create new programs to complement their missions. In addition, LAHTF dollars can be leveraged with other funds each organization receives such as CDBG, ESG, Rapid Rehousing, and LMG.

| AMI         | Louisville Urban League | St. John           | Housing Partnership, Inc. | HP                | Metro Housing Coalition |
|-------------|-------------------------|--------------------|---------------------------|-------------------|-------------------------|
| <b>2017</b> |                         |                    |                           |                   |                         |
| ≤30         | \$3,500.00              |                    |                           | \$5,000.00        |                         |
| ≤50         | \$5,000.00              | \$5,000.00         |                           |                   |                         |
| ≤80         | \$1,500.00              |                    |                           |                   |                         |
| <b>2018</b> |                         |                    |                           |                   |                         |
| ≤30         | \$4,500.00              |                    |                           |                   | \$1,200.00              |
| ≤50         | \$9,000.00              | \$12,500.00        |                           |                   | \$3,000.00              |
| ≤80         | \$1,500.00              | \$2,500.00         | \$3,500.00                |                   | \$1,800.00              |
| <b>2019</b> |                         |                    |                           |                   |                         |
| ≤30         | \$5,250.00              |                    |                           |                   |                         |
| ≤50         | \$8,750.00              | \$11,250.00        |                           |                   |                         |
| ≤80         | \$3,500.00              | \$3,750.00         |                           |                   |                         |
|             | <b>\$42,500.00</b>      | <b>\$35,000.00</b> | <b>\$3,500.00</b>         | <b>\$5,000.00</b> | <b>\$6,000.00</b>       |



This year LAHTF allocated \$50,000 to effectively address the needs of those organizations that provide programs targeting low-to-middle income residents. These residents are in need of services to obtain and maintain their houses, or apartments through employment assistance, HUD Housing Counseling, Rental Readiness training, or Homeless to transitional housing education. As a result, each organization provided specialized programs and each experience successful outcomes:

- The Boys and Girls Haven Lifeskills Training for

17 young adults aging out of Foster Care and under 30% AMI or below

- The Louisville Urban League’s HUD approved Housing Counseling assisting 50 individuals under or equal to 50% AMI
- Volunteers of American’s Louisville Family Housing Services providing 100 homeless individuals below 80% AMI with self-sufficiency education
- St. Johns Center providing Housing Counseling and Coordination services for 400 homeless individuals below 50% AMI.

| VOA         | Boys & Girls Haven | HOI         | Total      |                    |
|-------------|--------------------|-------------|------------|--------------------|
| <b>2017</b> |                    |             |            |                    |
|             |                    |             | 8,500.00   | ≤30<br>\$38,550.00 |
|             |                    |             | 10,000.00  |                    |
|             |                    |             | 1,500.00   |                    |
| <b>2018</b> |                    |             |            |                    |
|             |                    |             | 5,700.00   | ≤50<br>\$57,100.00 |
|             |                    |             | 24,500.00  |                    |
|             |                    | \$10,000.00 | 19,300.00  |                    |
| <b>2019</b> |                    |             |            |                    |
| \$9,100.00  | \$10,000.00        |             | 24,350.00  | ≤80<br>\$29,350.00 |
| \$2,600.00  |                    |             | 22,600.00  |                    |
| \$1,300.00  |                    |             | 8,550.00   |                    |
| \$13,000.00 | \$10,000.00        | \$10,000.00 | 125,000.00 | \$125,000.00       |





# Housing Needs Assessment

This Housing Needs Assessment (HNA), undertaken on behalf of Louisville Metro Government’s Office of Housing and Community Development (OHCD) in partnership with Louisville Affordable Housing Trust Fund (LAHTF), sets out to diagnose symptoms of these disparate impacts in Louisville neighborhoods and to identify potential strategies to reshape a housing market that works for the benefit of all Louisvillians. The HNA examines data within three key spheres:

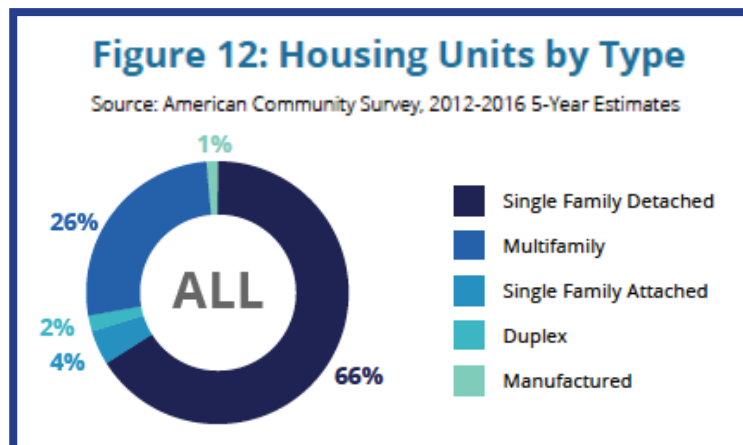
1. Health is defined by the financial stability of residents, the quality of housing stock, and the pace and type of development activity in the housing market within each neighborhood.
2. Diversity is described by the availability of myriad housing typologies and location preferences that meet the needs of Louisville’s increasingly diverse residents.
3. Equity is determined by the accessibility of opportunities for economic mobility within each neighborhood, such as income growth and wealth building.

The primary finding from the study is as follows: In Louisville as a whole, there is a shortage of homes for families whose income is lower than the Federal Poverty Level. There are only enough affordable and available homes for 46 percent of these lowest-income families, with an estimated shortage of 31,412 units. The shortage causes an overall affordability gap that affects all families whose income is lower than the area median, severely limiting housing choice for many Louisvillians. If Louisville had 31,412 additional units that were affordable to households below the Federal Poverty Level (and if these homes were all occupied by the families who need them), then an affordability gap

would not exist in the city.

The report also focused on several possible local, state and federal funding and policy recommendations to address this need. Some of the local funding and policy recommendations include:

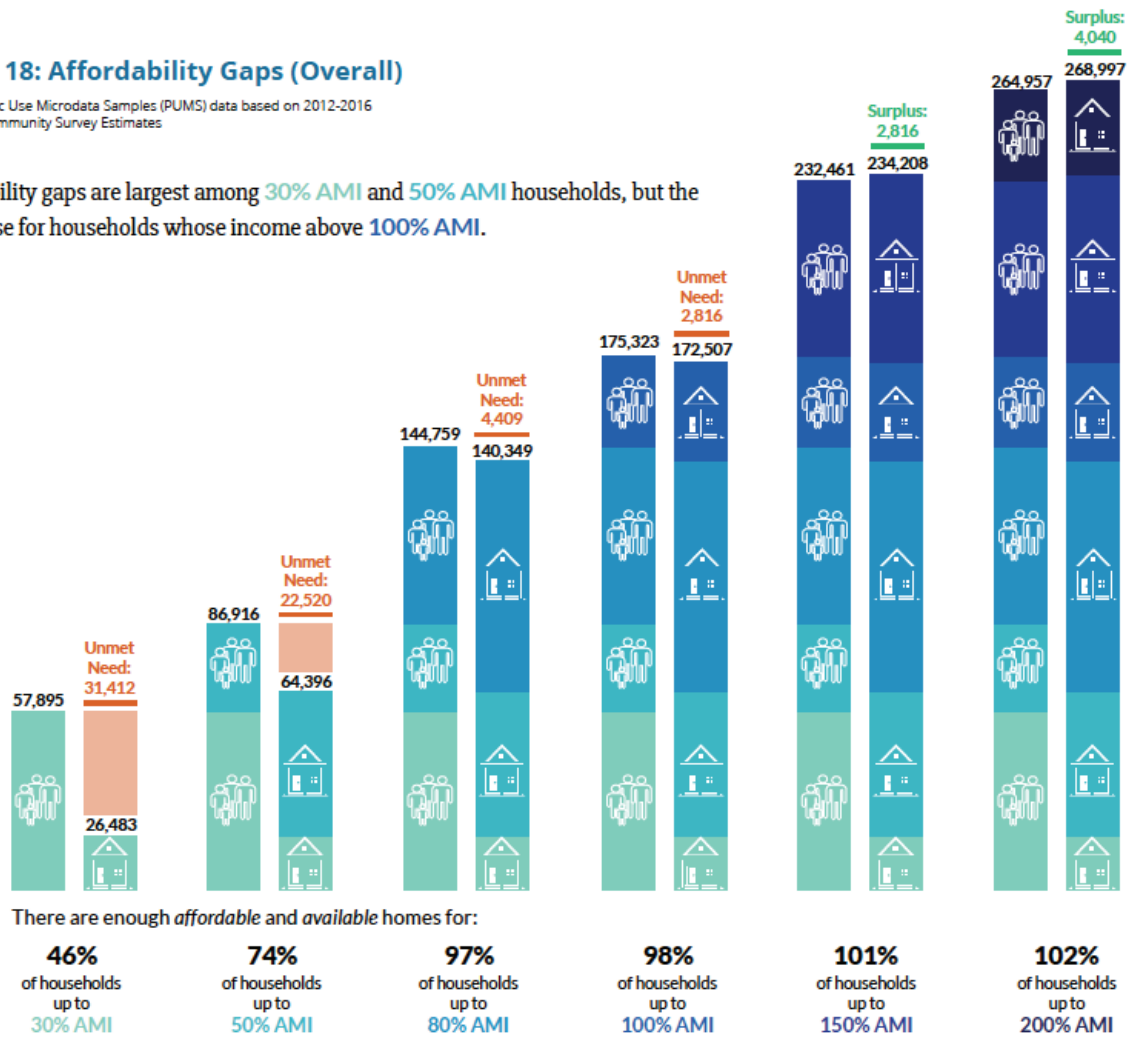
- Dedicated funding source to sustain affordable housing initiative
- Create a Community Land Trust to help create new affordable homeownership and wealth creation opportunities
- Preserve unsubsidized affordable housing units through acquisition and rehabilitation
- Allow financing of a Renter Equity Program under LAHTF to allow tenants to build equity while renting a unit.
- Adopt a proactive systematic code enforcement program for rentals.
- Designate Investment Strategy Areas that prioritize and facilitate creation of affordable and market-rate housing
- Adopt Anti-Displacement measures
- Explore implementation of inclusionary zoning regulations in the Land Development Code



**Figure 18: Affordability Gaps (Overall)**

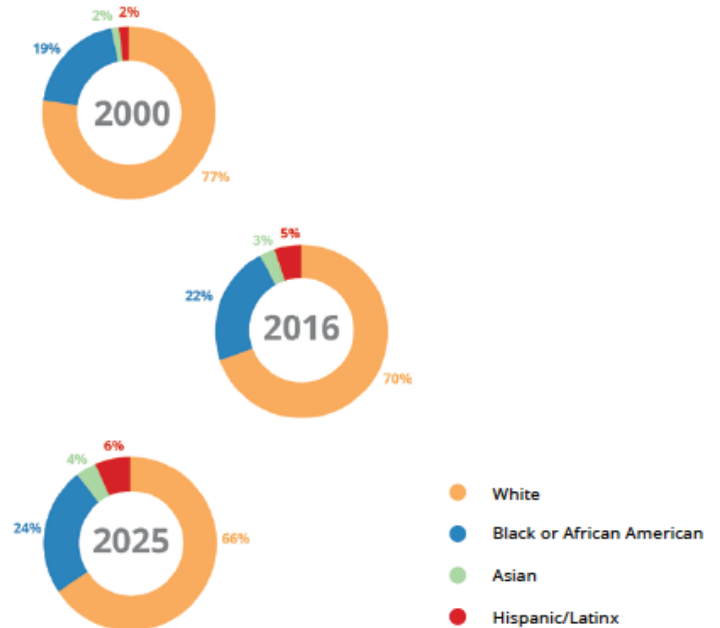
Source: Public Use Microdata Samples (PUMS) data based on 2012-2016 American Community Survey Estimates

Affordability gaps are largest among **30% AMI** and **50% AMI** households, but the gaps close for households whose income above **100% AMI**.



- Extend the period of affordability on housing projects financed by LMG/LAHTF
- Establish a Lien Release and Code Violation Forgiveness Program
- Reduce parking requirements for affordable housing developments
- Utilize the Health Impact Assessments to evaluate Metro’s policies, regulations and incentives for creation and preservation of housing units
- Continue to incorporate cool roofs standards in owner rehabilitation and multi-family construction projects.

Both LMG and the LAHTF continue to work together to address the growing affordable housing needs of our community.



**Figure 9: Race and Ethnicity, 2000 to 2025**

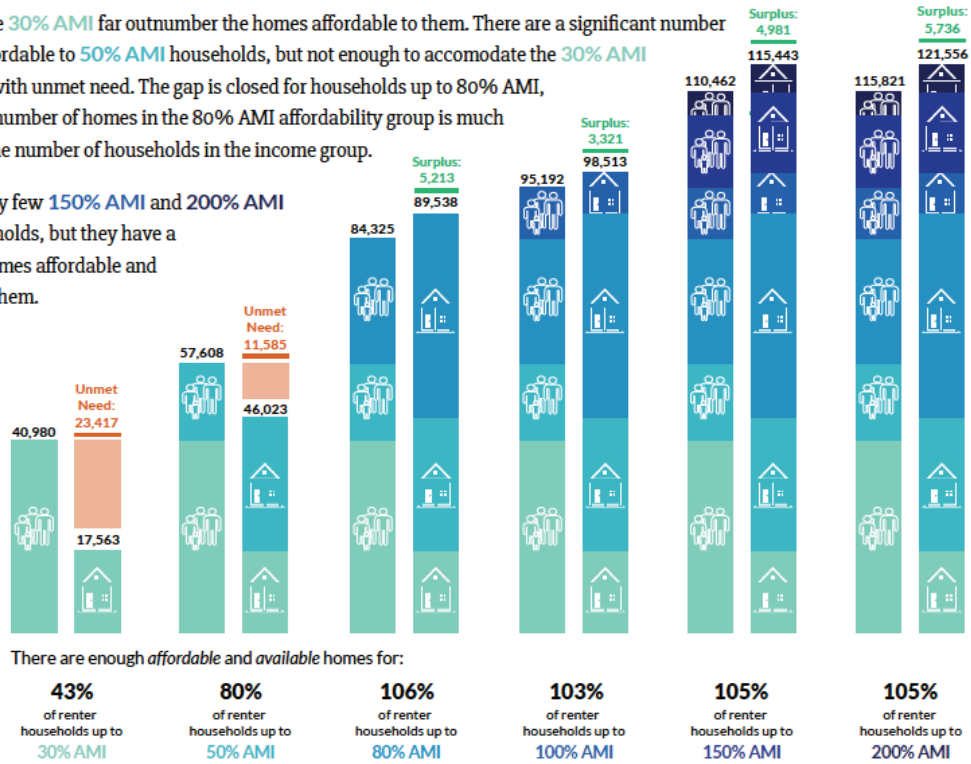
Source: Decennial Census, 2000; American Community Survey, 2012-2016 5-Year Estimates; Woods & Poole projections, 2018

**Figure 19: Affordability Gaps (Renter)**

Source: Public Use Microdata Samples (PUMS) data based on 2012-2016 American Community Survey Estimates

Renters in the **30% AMI** far outnumber the homes affordable to them. There are a significant number of homes affordable to **50% AMI** households, but not enough to accommodate the **30% AMI** households with unmet need. The gap is closed for households up to **80% AMI**, because the number of homes in the 80% AMI affordability group is much larger than the number of households in the income group.

There are very few **150% AMI** and **200% AMI** renter households, but they have a surplus of homes affordable and available to them.

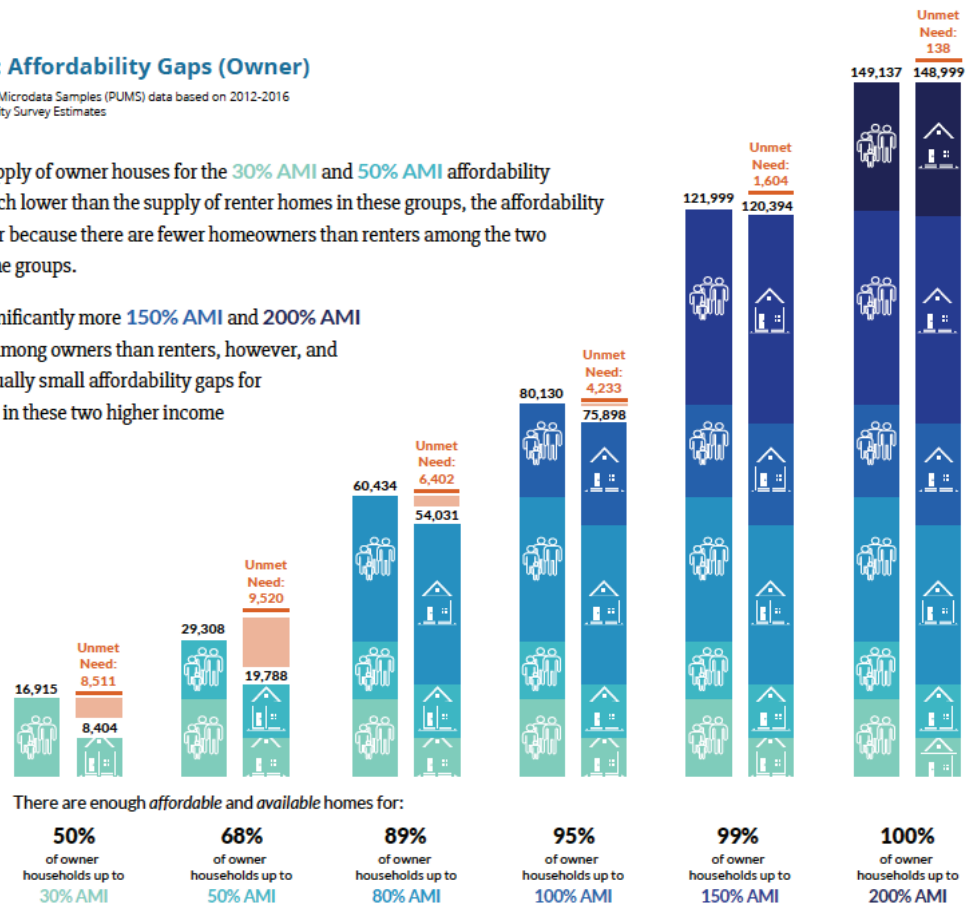


**Figure 20: Affordability Gaps (Owner)**

Source: Public Use Microdata Samples (PUMS) data based on 2012-2016 American Community Survey Estimates

While the supply of owner houses for the **30% AMI** and **50% AMI** affordability groups is much lower than the supply of renter homes in these groups, the affordability gap is smaller because there are fewer homeowners than renters among the two lowest income groups.

There are significantly more **150% AMI** and **200% AMI** households among owners than renters, however, and there are actually small affordability gaps for homeowners in these two higher income groups.



# The Greater Community Apartments

The Greater Community Apartments (“GC”) is an existing 15-unit special needs apartment community for extremely low households (the project includes place-based rental assistance). Built in 2003, the .83-acre property contains a mix of 1, 2, and 3-bedroom apartment units arranged in one three-story building with an office, two community rooms, and two on-site laundry facilities. From November 2018 through September 2019, GC underwent an extensive renovation that included the following:

- Modernizing units by installing new appliances, cabinets, countertops, paint, flooring, light fixtures, toilets, interior and exterior door hardware, and window treatments;
- Reducing energy consumption and lower utility costs for the tenants and owner with energy efficient appliances;

- New security and entry systems, upgraded sprinkler systems;
- Increasing the property’s marketability, improving common areas and amenities, and repairing deferred maintenance items;
- Contributing to the City’s vision of revitalizing this area while working in collaboration with local partners; and
- Preserving this important handicapped-accessible housing resource for long-term sustainability.

One of the biggest impacts was measured by the US Department of Housing and Urban Development, scoring the property a 91A as part of their latest Real Estate Assessment Center (REAC). Their previous score had been in the 50s. This project would not





have been possible without the LAHTF (\$200,000 forgivable loan) and the African Methodist Episcopal (AME) Church who committed \$525,000 for the renovation. Approximately \$725,000 of funds were committed to this project by both agencies.

Reverend Troy Sneed, Board president and pastor of Quinn Chapel AME Church, states that, "GC has become a new, added upgrade to the Portland neighborhood of Louisville. Through the efforts of supportive stakeholders, this newly remodeled apartment complex will add to the quality of life to our residents and the community at large. We are excited about the outcome of this project."



**STATEMENT OF  
FINANCIAL  
POSITION**  
June 30, 2019  
and 2018

|   | 2019        | 2018<br>(as restated) |
|---|-------------|-----------------------|
| <b>ASSETS</b>                                     |             |                       |
| Cash  | \$1,686,748 | \$2,343,370           |
| Cash held in Escrow                               | \$373,906   | \$464,639             |
| Prepaid Expenses                                  | --          | \$250                 |
| Accrued interest receivable                       | \$34,407    | --                    |
| Mortgage Loans Receivable, Net                    | \$4,662,499 | \$159,950             |
| Furniture and Equipment, Net                      | \$1,188     | \$1048                |
| Total Assets                                      | \$6,758,748 | \$3,944,776           |
| <b>LIABILITIES AND<br/>NET ASSETS LIABILITIES</b> |             |                       |
| Accounts Payable                                  | \$32,599    | \$17,211              |
| Accrued Expenses                                  | \$10,819    | \$9,353               |
| Total Liabilities                                 | \$43,418    | \$26,564              |
| <b>NET ASSETS</b>                                 |             |                       |
| Without donor restrictions                        | \$6,170,514 | \$2,104,884           |
| With donor restrictions                           | \$544,816   | \$1,813,328           |
| Total Net Assets                                  | \$6,715,330 | \$3,918,212           |
| <b>TOTAL<br/>LIABILITIES AND NET ASSETS</b>       |             |                       |
|   | \$6,758,748 | \$3,944,776           |

# About Fair and Affordable Housing

## WHAT DOES AFFORDABLE HOUSING MEAN?

In the U.S., the term affordable housing is used to describe housing, rental or owner-occupied, that is affordable no matter what one's income is. The U.S. government regards housing costs at or below 30% of one's income to be affordable.

## WHAT DOES SUBSIDIZED HOUSING MEAN?

Though it is incorrectly used to describe housing that is assisted by the government, subsidized housing is used when describing housing that has rental assistance. That is, housing where all of a portion of the occupants' monthly housing cost is paid for directly by the government. An example of this is Section 8 housing vouchers, where a renter only pays the portion of the rent that is determined to be affordable to them based on their income.

## WHAT IS LIHTC?

Low Income Housing Tax Credits (LIHTC) is a Federal housing assistance program that provides tax incentives to owners of affordable housing. The program does not provide direct assistance to renters and is strictly used to finance the construction (not the operation) of rental properties. Usually, LIHTC properties have units available for families earning 60% or less of the Area Median Income (AMI). The rental properties are usually of very high quality and are often mistaken for luxury apartment communities. LIHTC is America's most successful affordable housing program having created millions of affordable rental units since its inception in the late 1980's.

## HOW DO I KNOW IF MY INCOME QUALIFIES ME FOR A GIVEN AFFORDABLE APARTMENT?

There are literally dozens of different housing programs

that you might qualify for. Generally, if you earn less than 60% of the median income for your area, you can qualify for LIHTC apartments, which makes up the largest chunk of rental apartments available. To qualify for rental subsidies, where you only pay 30% of your income for rent, you'll need to earn less than 50% of the median income. Many of the programs go out of their way to target even lower income people, even as low as 30% of the median income, so make sure you ask the property manager what they have available.

## WHAT IS AREA MEDIAN INCOME (AMI)?

All government housing programs qualify recipients based on their income. Since each market area has varying living costs and income levels, the government determines an Area Median Income (AMI) for each housing market. For example, the area median income for Louisville in 2018 is \$71,500.

## WHAT IS SECTION 8?

Unfortunately, Section 8 has turned into a bad word though it's a good program that helps good people. Section 8 is a HUD program that helps renters pay their rent by paying for any rent costs that exceed 30% of the renters income. Simply put, if a renter earns \$2,000 per month in Louisville but their rent costs \$1,150 per month, Section 8 helps by paying \$550 of that rent since 30% of the renters income is \$600. This rental subsidy is very scarce and there are waiting lists locally and across the country for the program.

## WHAT IS A HOUSING AUTHORITY?

Housing authorities have been around for many years and was the country's first concerted effort to provide affordable housing to lower income Americans. A housing authority is usually locally based and serves a whole city or county. Some housing authorities are statewide and assist housing across the entire state. Housing authorities received funding from HUD, the Department of Housing and Urban Development, to operate Section 8 voucher programs and low rent housing called public housing. Our local housing authority is the Louisville Metro Housing Authority.

Source: <https://affordablehousingonline.com>

# OPEN THE DOOR

The Louisville Affordable Housing Trust Fund would like to thank all of its supporters for your advocacy, monetary contributions, or in-kind donations! Some made verbal and personal appeals to Metro Council. Some educated neighbors and friends about what affordable housing really is. Some provided financial support. Please know that whatever you did, it is greatly appreciated!

1st Financial Bank  
Kathy Beach  
John Bucher  
Carol Clark  
Cassandra Culin  
Anthony P. Curtis  
Beverly Duncan  
Sarah Fuller  
Johnny Gibson  
Christopher Haragan  
Natalie Harris  
Marty Hedgepath  
Cathy Hinko

Mika McClain  
Christie McCravy  
Tonya Montgomery  
Kimberly Rice  
Richard Sands  
Milan Savkovich  
Curtis Stauffer  
Richard A. Vance  
Travis Yates  
Barry Zalph

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