



# 2013 ANNUAL REPORT

*Acquisition, Change, Preservation*

## A Letter from the President

Dear Friends,

Robert Kennedy once said, “Progress is a nice word. But *change* is its motivator.” Looking back at my first three full years as President of HPI, I have gained a stronger understanding of the meaning of his words.

HPI has seen a lot of progress in the last three years. Our asset base has grown from \$7.6 million to \$26 million. Our expenses have steadily decreased. Our total capital (net assets) has increased from \$2.2 million to \$8.7 million over this same time period. Our rental portfolio has grown from just over 500 apartments and single family houses to nearly 1,200.

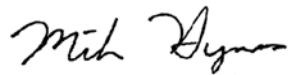
It is the ongoing *acquisition* of single-family and multi-family affordable housing units that has driven our growth. This ongoing acquisition has been driven by the change happening in the world around us. Resources many of us have long assumed would remain available in affordable housing have gone away—no more Federal funds to create housing for low-income seniors, the future of Low Income Housing Tax Credits up for debate, fewer dollars for Section 8 housing.

While these resources have steadily decreased, demand for services and housing has steadily increased. These winds of change have made the *preservation* of affordable housing more crucial than ever—HPI’s continued progress and growth has become more crucial than ever.

Our goal is to self-sustain through our ownership and management of our rental portfolio, while preserving much needed affordable housing for our community. In doing so, we can provide a growing number of families with quality property management, safe homes, a strong sense of community, and stability.

Nothing lights the fire of progress quite like change. And change, as they say, is inevitable.

Sincerely,



Mike A. Hynes, HPI President



## FY 2013 Accomplishments

- Completed construction on St. Bartholomew Senior Housing, *changing* the lives of 24 seniors (photo #1).
- *Acquired* 65 apartments on Nightingale Road with contributions from the Attorney General of Kentucky and Metro Louisville (photo #2).
- Completed development of 9 single-family homes at Boxelder Crossing (photo #3).
- *Acquired* 47 single-family houses in Shelbyville.
- Provided school supplies for 250 children in HPI rental communities (photo #4).
- Completed construction of the Fawn Lakes cottages, HPI’s most energy-efficient homes to date (photo #5).
- *Acquired* 16 houses in the Valley Forest subdivision of Fern Valley.
- Assisted with the redevelopment of 210 apartments for seniors at Hillebrand House, *preserving* affordable housing in Old Louisville (photo #6).
- Assisted 174 homeowners with Unemployment Bridge Program applications—*preserving* their homes while they look for new employment.
- Provided coats and toys for 39 families for the Holidays (photo #7).
- Created the PATH program for a tailored, supported path to homeownership to *change* lives.
- Established a Maintenance Dispatch Center to maximize the efficiency of repairs and maintenance across our real estate portfolio.

## HPI Departments & Services

**ASSET & PROPERTY MGMT**  
HPI currently owns and manages 1,152 units of residential property affordable for low to moderate income families in multi-family apartment communities and single-family homes.

**PROGRAM SERVICES**  
HPI provides services to families and seniors living in our rental communities through our Resident Services Program as well as educational opportunities that include mortgage readiness analyses, one-on-one financial counseling and Home Buyer Education classes. Our Foreclosure Intervention program has worked with families to preserve their homes and avoid foreclosure.

**HOUSING PRODUCTION & CONSTRUCTION**  
**Multi-Family Rental:** Acquires and rehabilitates distressed properties through the adaptive reuse of existing structures and new construction.

**Single-Family Homes:** Builds and rehabilitates affordable single-family houses, using HPI programming to help stabilize neighborhoods and homeowners.

**Construction Management:** Builds HPI’s single- and multi-family homes as well as third party construction.

**Development Consultation:** Works with for-profit builders and other non-profits to help them acquire financing to develop affordable housing.

**Neighborhood Stabilization Program:** Purchases, renovates, builds and sells existing foreclosed homes or lots to first-time home buyers with supportive services and education.

## Acquisition:

### FOR A SELF-SUSTAINING HPI

In a move to create self-sustainability as an organization, HPI has *acquired* single-family and multi-family properties into our rental portfolio.

With many Low-Income Housing Tax Credit properties reaching the end of their compliance periods, HPI's

move to *acquire* these properties *preserves* much-needed affordable housing for families and individuals throughout Jefferson County.

During FY 2013, HPI acquired 65 apartments on Nightingale Road off Poplar Level Road. In addition to funds from Ken-

tucky's Foreclosure Settlement, HPI leveraged private financing and a \$500,000 grant from Louisville Metro to support much-needed renovations and updates to the apartments on Nightingale Road.

**"When a home is foreclosed upon ... you're foreclosing on that family,"**

— Jack Conway.

For some of the families, the day that HPI *acquired* the properties was the first day they had running hot water in over a year. When housing is forgotten the families living in it get forgotten. HPI has reclaimed the housing for the families who live on Nightingale Road.

Residents on Nightingale Road will benefit from HPI's attention to quality property management and maintenance as well as resident services.

Our organization now controls 51% of the apartments in Nightingale's 1400 block.

## Change:

### TRANSFORMING A BUILDING INTO A COMMUNITY

One of the things Hannah Farley, HPI's Operations Manager Assistant, loves most about her job is watching the transformation of newly *acquired* buildings *change* into safe and affordable apartment communities. "I love to see what the apartments used to be like and then what we've turned them into" Hannah says.

HPI's current project that excites her most is Most Blessed Sacrament Catholic School. "I went there in Kindergarten and 1<sup>st</sup> grade. My great-grandparents lived on the same street and I remember attending the parades and haunted houses at the school." Hannah looks forward to watching Most Blessed Sacrament become home for people who need affordable housing.

The former Catholic school building is currently under construction and will be home to 30 seniors who need affordable housing. HPI will apply for Silver LEED certification for the building, making it extremely energy efficient. HPI's Property Maintenance staff has been trained on the energy efficient features of the building throughout the construction process.

Most Blessed Sacrament will open in August 2014.

**"Many people would consider the properties HPI acquires as 'dangerous', but HPI sees them differently. To HPI they are new opportunities to create community"**

— Hannah Farley.



Most Blessed Sacrament, HPI's next Senior Apartment Community.



## Preservation:

### THE KEY TO A SUSTAINABLE HOUSING SOLUTION

How do you know that the work you do truly *preserves* quality affordable housing? For HPI, we only have to look to Partridge Pointe for that answer.

When we *acquired* Partridge Pointe in 2004, this rental community was a dangerous place. Families were trapped in an unsafe environment because of neglect and mismanagement. We did not give up and today it is a thriving community filled with families proud to be apart of a community again.

During Fiscal Year 2013, HPI began its Supply Our Students School Supply Drive. With overwhelming support from donors and volunteers, HPI was able to handout school supplies and backpacks to 247 children. The children came from all over HPI's rental portfolio and the event was held in front of Partridge Pointe's water park.

Encouraged by the success of this event, HPI spent Fiscal Year 2013 expanding its programming to include Resident Services. The sense of community nurtured by the families living at Partridge Pointe has been an inspiration to our staff. In fact, a group of children from Partridge Pointe came together during the spring of 2013 and performed at our Annual Dinner as HPI Rocks.

Today, Partridge Pointe maintains a steady occupancy rate of 90-95%. Families here feel safe and there is a sense of community again. That's the sort of progress HPI works for when we *preserve* affordable housing!



The HPI Rocks choir practicing before their performance.

**Join the fun! Get Involved!**

**DONATE!**

A gift of as little as \$25 can help seed a community garden at an HPI property. Donate online today at **WeAreHPI.org**.

**VOLUNTEER!**

Volunteer for our next event or find out about volunteer opportunities on our website at **WeAreHPI.org**.

**STAY INFORMED!**

Sign up for e-newsletters on our website at **WeAreHPI.org** or follow us on Facebook or LinkedIn!

**EDUCATE**

Are you or is someone you know planning on buying a house in the future? Check out our Counseling and Education courses available in person or online!

**PROMOTE**

Engage your company, join our Board of Directors or one of our committees and enrich HPI with your ideas.

**JOIN A DONOR CIRCLE**

The most effective way you can contribute to HPI is through donations. Become a member of one of our Donor Circles and enjoy a lifetime of HPI commitment.



Virginia Copley volunteered to be HPI Rock's choir master!



Volunteers paint the fences of an HPI Property in Old Louisville to preserve the historic beauty of the street.



Stock Yard Bank volunteers pitch in to help with the School Supply Drive.



Volunteers playing games and having fun during the School Supply Drive!

**Combined Statement of Financial Position**

Fiscal Year Ending June 30, 2013

**ASSETS**

Cash, Cash Equivalents, and Receivables: \$5,824,264

**OTHER ASSETS**

Prepays: \$341,515  
 Investment in Real Estate Developments: \$55,787,741  
 Homes in Progress: \$8,641,261  
 Captive Insurance: \$74,000  
 Office Furniture and Equipment, net: \$163,463  
 Other: \$1,237,180  
**Total: \$72,069,424**

**LIABILITIES AND NET ASSETS**

Current Liabilities: \$4,614,460  
 Long-Term Liabilities: \$53,584,443

**NET ASSETS**

Unrestricted: \$12,610,006  
 Temporarily Restricted: \$55,000  
 Permanently Restricted: \$1,205,515  
**Total: \$72,069,424**

**Statement of Activities**

**REVENUES**

Housing Production: \$3,605,683  
 Program Services: \$562,500  
 Property Management: \$5,963,671  
 Operations: \$494,427  
**Total Revenues: \$10,626,281**

**EXPENSES**

Housing Production: \$1,895,339  
 Program Services: \$614,318  
 Property Management: \$6,868,592  
 Operations: \$1,061,836  
**Total Expenses: \$10,440,085**

**Net Current Activity: \$186,196**

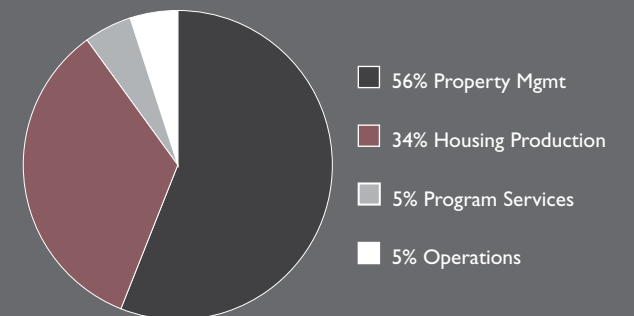
**Major Grants and Allocations**

Fiscal Year Ending June 30, 2013 (includes some in-kind gifts)

NeighborWorks America: \$489,900  
 Housing Partnership Network: \$88,898  
 Gheens Foundation Inc.: \$75,000  
 Citi Group Inc.: \$60,000  
 Brown Foreman: \$25,000  
 SOCAYR: \$45,000

**Funding Sources**

Fiscal Year Ending June 30, 2013



THANK YOU TO OUR DONORS

**Lifetime Giving**

**FOUNDERS' CIRCLE**

Lifetime Giving of \$25,000 or more

Beacon Properties / SOCAJR  
 Brown-Forman Corporation  
 Citi Foundation  
 Department of Housing and Urban Development  
 Freddie Mac  
 Gheens Foundation  
 Housing Partnership Network  
 Kentucky Housing Corporation  
 LG&E & KU Energy, LLC  
 Louisville Metro Government  
 Metro United Way  
 NeighborWorks America  
 Norton Healthcare  
 PNC Bank  
 US Bank  
 VideoBred

**PRESIDENTS' CIRCLE**

Lifetime Giving of \$10,000 – \$24,999

BB&T  
 Bosse Mattingly Constructors  
 Citi Cards of Louisville  
 Citizens Union Bank  
 Office Resources, Inc.  
 Republic Bank & Trust Company  
 Spalding University  
 Wells Fargo

**BENEFACTORS' CIRCLE**

Lifetime Giving of \$5,000 – \$9,999

Group Nine Marketing  
 Holy Trinity Church  
 K&I Lumber  
 Nana Lampton  
 Stock Yards Bank  
 Reed, Weitkamp, Schell & Vice, PLLC  
 University of Louisville

**2013 Fiscal Year Donors**

**\$5,000 +**

Beacon Properties / SOCAJR  
 Bosse Mattingly Constructors  
 Brown-Forman Corporation  
 Citi Cards Louisville  
 Gheens Foundation  
 Housing Partnership Network  
 K&I Lumber  
 Kentucky Housing Corporation  
 LG&E and KU, LLC  
 Metro Louisville  
 NeighborWorks America  
 Office Resources Inc.  
 PNC Bank  
 Republic Bank & Trust Company  
 US Bank  
 US Dept of Housing and Urban Development  
 VideoBred

**\$1000 – \$2499**

Anonymous  
 Lydia Bell  
 Jesse Curts  
 Lisa DeSpain  
 Frost Brown Todd LLC  
 Mike Hynes  
 Nana Lampton  
 Metro United Way  
 Kimberly Stephenson  
 Stites and Harbison  
 Transit Authority of River City  
 Mark and Susan Wheeler  
 Richard Wimsatt

**\$500 – \$999**

CAHEC  
 Catholic Charities of Louisville  
 Center for Nonprofit Excellence  
 Community Ventures Corporation  
 Downtown Development Corporation  
 Joe Farley  
 Federal Appalachian Housing Enterprise  
 Habitat for Humanity  
 Hope of Kentucky, LLC  
 Doug Leezer  
 Kentucky Domestic Violence Association  
 Louisville Metro Housing Authority  
 Mountjoy Chilton & Medley  
 Aaron Riley  
 William and Jeanne Shircliff

Steelcase  
 Charles Vargo  
 Your Community Bank  
 Zion Community Development Corporation

**\$499 and below**

Ed & M.A. Allgeier  
 Altman Insurance  
 Tim Barry  
 Richard Beliles  
 Steve Bogus  
 Anne Braun  
 Louise Brian  
 Richard Buttorff  
 Christina Combs  
 Jerry Cornwell, Sr.  
 Charles Diggs  
 Mark and Michelle Dohrman  
 Donn Dunker  
 Brandon Egan  
 FBM Properties  
 Fifth Third Bank  
 Jim Fox  
 Judy Fritz  
 Jeri Gaines  
 Johnny Gibson  
 Robin Goodman  
 Melody Hall  
 Mary and John Hamilton  
 Jackie Hamm  
 Sharon Handy  
 Jo Ann Henning  
 Linda Holland  
 Al Keene  
 Kevin Bradley  
 Corey Kline

Sarah Laster  
 Robert Locke  
 Lynn Luallen  
 Stephen Lukinovich  
 John Lundbom  
 P.M. Mattingly  
 Jerry Maurice  
 Robin McClain  
 Stephanie Meusburger  
 Sara and John Morgan  
 LaShonta Morrison  
 Anita Mosley  
 M. Diane Murphy  
 Andy Parker  
 Penny Peavler  
 Karen and John Pippy  
 Rebecca Powell  
 Todd Quinton  
 Sheryl Rainey  
 Gerri Reynolds  
 Michael Ringswald  
 Lynn Rippey  
 David Ritchay  
 Desmond Robinson  
 Ronald Rubin  
 Richard Sands  
 William Skees  
 David and Kristen Starck  
 Curtis Stauffer  
 John Thomas  
 Fran Thomas  
 Tammy Thomas  
 Caroline Thorton  
 Blade Towney  
 Jennifer Vice  
 Leonard Watkins  
 Will and Becky West  
 Marita Willis



*Board of Directors, 2012 – 2013*

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Brown-Forman Corporation

**Mr. Billie W. Wade—Immediate Past Chair**  
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Office of the Circuit Court Clerk

**Mr. Mark F. Wheeler**  
Community Volunteer

**Ms. Marita A. Willis**  
Community Ventures Corporation



Board member, Tammy Thomas, volunteering during the School Drive.



Chair Elect, Laura Douglas, giving a speech at the Home Show reception.



Board Chair, Rick Wimsatt, at the St. Bartholomew Grand Opening.



Former Board Chair, Billie Wade, engaging with colleagues.



Board member, Doug Leezer joins other volunteers during the School Drive.

*HPI Staff Members*

**ADMINISTRATION:**

Mike Hynes, Linda Holland

**OPERATIONS:**

Christina Combs, Hannah Farley, Johnny Gibson, Carmelita Luna, LaShonta Morrison

**HOUSING PRODUCTION:**

David Ritchay, Landen Burcham, Laura Bettencourt

**HPI CONSTRUCTION, LLC:**

Joe Farley, Jerry Cornwell, Martina Currin, James Dumm, Chris Fults, Lowell Harper, Steve Herm, Al Keene, Kasey Keeton, Daniel May, Nick Morales, George Puente, Ken Raeuchle, Ronda Sears, Jesse Shobe, Ray Smith, Luke Thompson, Dennis Vorhees, Kevin Williams

**PROPERTY & ASSET MGMT:**

Lisa DeSpain, Samantha Adams, Penny Baylor, Tara Carman, Kayla Cooksey, Cynthia Dailey, Rosalie Dailey, Cheryl Edwards, Dawn Fults, Melody Hall, John Ison, Tonya Montgomery, Joy Ritchie, Traci Robertson, Marie Timberlake, Susan Wayne, Michelle Wheeler, Fred Wilford

**PROGRAM SERVICES**

Lessley Wood, Gabe Fritz, Elizabeth Agerton, Rosa Alvarado, Lynda Gibson, Jo Ann Henning, Jackie Jones, Nicole Leachman, Stephanie Meusburger, Tina Murphy, Mary Ronayne, Martina Surma



HPI staff during a staff event at the Louisville Belle.





[WeAreHPI.org](http://WeAreHPI.org)

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