

2018

ANNUAL REPORT



HPI
THE HOUSING PARTNERSHIP, INC.



*"Our drive is for a world in which
everyone has a place to call home."*

Andrew Hawes,
HPI President & CEO

A LETTER FROM THE PRESIDENT

Dear Friends and Supporters of HPI:

On May 1, 2018, I took the helm as the sixth President and Chief Executive Office of The Housing Partnership, Inc. It was my privilege to inherit an organization that was strong in its mission and well-immersed in its project implementations for the fiscal year ending June 2018. HPI has made a considerable impact this past year, and I am honored to continue the legacy left by my predecessor Mike Hynes as we bring HPI to even greater heights.

I undertake my role at HPI with a deep respect for its past. Within its 28-year history, HPI has created a legacy of accomplishment: It's the first Kentucky nonprofit real estate development organization to be credited with the knowledge base (and strategic adherence) to navigate and implement the complicated federal Low Income Housing Tax Credit program—making it the “go-to” consultant for others within and outside of the state. It's the first nonprofit organization in Kentucky to develop Energy Star rated multi-family buildings. It's a recipient of Kentucky's largest 2009 Neighborhood Stabilization Grant evolving into the “Sustainable + Attainable” Sunset Gardens subdivision in South Louisville — and the list continues.

HPI has assisted families in the face of foreclosure in the aftermath of the Great Recession. It has housed the elderly on fixed incomes within its growing senior housing portfolio. It has stabilized communities through the conversion of rental properties to homeownership. All of these accomplishments exemplify the adamant belief that access to quality affordable housing and homeownership encourages family stability, improves neighborhoods, strengthens communities and boosts our local economy.

HPI has had the good fortune of being led by some of the best and the brightest in the affordable housing industry. Be assured, however, that HPI will not rest on its laurels; rather, we will work hard to position HPI for continued growth and seek new opportunities to maximize HPI's community impact. Over this past year, HPI started construction on Middletown Apartments, our first east end multifamily affordable housing community. We successfully completed the first home for a formerly homeless veteran through the *Operation Victory: Providing Homes for Heroes* coalition; and closed on more than \$15 million in multifamily investments in Kentucky through our consulting and development services, thus creating and preserving 148 units of affordable housing.

Leading a nonprofit organization requires an unwavering belief in the organization and its mission, an unyielding positivity during times of great difficulty, and an undaunted motivation to inspire staff to a higher purpose. With immense gratitude and determination, the Board of Directors oversaw a successful executive leadership transition. I hold this position with great honor and anticipation of HPI's future.

HPI's dedicated, hardworking staff and devoted volunteer Board of Directors are committed to changing lives and transforming communities through high-quality, affordable housing. I am grateful to represent the team that is The Housing Partnership, Inc. and thank you for your interest and involvement in our mission.

Sincerely,



Andrew Hawes
President and Chief Executive Officer



Our History

Founded in 1990, The Housing Partnership, Inc. is a 501(c)3 non-profit real estate development organization that creates affordable housing opportunities to encourage family stability, support communities, revitalize neighborhoods, and empower local economy.

Formed from a charter class of the Bingham Fellows, a program of Leadership Louisville, HPI has grown extensively over its 28-year history to offer a broad range of services, including Affordable Housing Real Estate Development, HPI Construction: Housing Rehabilitation, HPI Home Buyer Financial Counseling & Education, Property Management & Resident Services, and Affordable Housing Real Estate Consulting.

Our Mission

Our mission is to create, sustain and promote access to quality affordable housing.

Our Vision

Our vision is to create communities in which affordable housing of choice is possible for everyone.

Our Values

At HPI, we believe access to affordable housing encourages family stability, strengthens our neighborhoods, and improves our communities. We work to find new and innovative ways to provide affordable housing of choice and a better housing experience for our residents through the development of new public and private partnerships, new advancements in technology, and by expanding our focus on how we can have a lasting positive impact on the greater community.

2018 Fiscal Year Overview

- ➔ Closed on a total of \$15,425,531 million in real estate development throughout Kentucky.
 - ➔ Began construction on Middletown Apartments, an 80-unit multifamily apartment community located in Louisville's east end.
 - ➔ Served 305 new and potential homeowners through NeighborWorks®America Certified Homeownership Education and Budget & Credit Counseling Services Program.
 - ➔ Assisted in the CDFI certification of LHOME, a Louisville based nonprofit working in accordance with HPI's mission.
 - ➔ Completed 52 home sales for low to moderate income individuals and families.
 - ➔ Launched online payment and rent reporting services to provide residents the opportunity of online payment to build credit and positively impact residents' credit history.
 - ➔ Acquired 22 additional single family homes in West Louisville, contributing to HPI's growing portfolio for the *Beyond 9th Initiative*.
 - ➔ Partnered with Stock Yards Bank and Kentucky Housing Corporation to acquire single family homes utilizing the FHA Nonprofit Mortgagor program, the first 501c3 nonprofit to accomplish this in over a decade.
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Programs & Services



Asset & Property Management

HPI currently owns and operates over 1,400 units of affordable rental housing for low to moderate income families throughout the Metro area and beyond.

- 8 Senior Communities (224 units)
- 14 Multifamily properties (882 units)
- 9 KDVA partnered properties (72 units)
- 264 Single Family Homes

Resident Services

With our PATH to Homeownership program, HPI counselors work with residents from rental to homeownership, assisting individuals and families as they go through the exciting but sometimes confusing homeownership process.

HPI's PATH to Homeownership provides one-on-one counseling in financial planning, budgeting and home ownership readiness courses. Certified by NeighborWorks®America, HPI is proud to have served 305 new and potential homeowners in FY 2018.



Housing Production

Our team of real estate professionals provides technical assistance for real estate developers and organizations interested in developing and providing affordable housing options in our community.

During FY 2018, HPI closed on more than \$15 million in multifamily investments in Kentucky through our consulting and development services. Of those projects, HPI assisted in the building and preservation of 148 units of affordable housing.

FISCAL YEAR ACCOMPLISHMENTS



Middletown Apartments Ground Breaking March 7, 2018



Middletown APARTMENTS

HPI is proud to begin construction on our first east end multifamily apartment community in Middletown, Kentucky. Awarded \$250,000 in funding from the Louisville Affordable Housing Trust Fund, and in partnership with Citizens Union Bank, PNC Bank and the Kentucky Housing Corporation, HPI broke ground on an 80 unit 1, 2 and 3 bedroom affordable housing apartment community utilizing the Federal Low Income Housing Tax Credit program.

Operation Victory

HPI and partners are helping to end veteran homelessness— one house at a time.

Formed in 2017 by the Greater Louisville Central Labor Council, Operation Victory is a coalition of partnering agencies involving The Housing Partnership, Inc. (HPI), Kentucky Department of Veterans Affairs (KDVA), Kentucky Habitat for Humanity, Metro United Way and the Greater Louisville Building & Construction Trades Council with the mission to end homelessness among veterans. On November 10, 2017, an awarded veteran living out of her car for over 2 years received the keys to her very own home after a commencement ceremony in her honor. The first of many houses in the pipeline!



FISCAL YEAR ACCOMPLISHMENTS

In Celebration of Our Seniors



HPI celebrates our senior residents offering senior luncheons throughout the year. We gather together to celebrate the holidays and to cultivate community. The luncheons are in addition to multiple services offered our seniors, such as monthly bingo games by GenCare Medical Center, food delivery from Dare to Care, visits from Humana and Anthem for insurance options and free medical check-ins provided by medicaid. With over 230 senior residents in our eight senior affordable housing properties throughout Louisville, HPI is proud to provide this additional service. As an added value, there is nothing better than watching the joy and the smiles secret santa and raffle gifts bring!

HPI Partners with CoreLogic



HPI has partnered with CoreLogic, a registered trademark of RentTrack, LLC, to promote greater financial independence for our residents. Through online rent payments, residents build credit without taking on new debt! CoreLogic reports timely rent payments to the three major credit agencies. Ultimately, a stronger credit has far-reaching effects: lowering rates for credit cards and auto loans, reducing utility deposits and assisting in securing more attractive mortgages. In FY 2018, HPI offered over 1,400 residents the opportunities CoreLogic provides, working with residents to build for greater success!

HPI Service: Mayor Give-A-Day

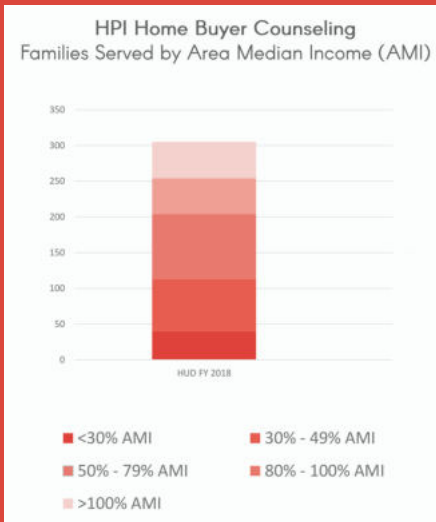


HPI staff volunteer their service each year for Mayor Fischer's Give-A-Day, a week of service to work together and revitalize Metro Louisville. This year, HPI cleaned up two houses on West Kentucky Street for four refugee families in partnership with Kentucky Refugee Ministries.



FISCAL YEAR ACCOMPLISHMENTS

PATH to Homeownership Celebrates Record High



HPI is proud to be a certified NeighborWorks® America HomeOwnership Center, providing Homeownership & Financial Education classes and one-on-one counseling to HPI residents and partnering employer programs.

HPI's Homeownership Education and Budget & Credit Counseling services help clients build confidence and address barriers that may prevent mortgage financing. Clients are offered strategies to establish household budgets, increase savings, and improve credit scores. Workshops are conducted by vetted experts in residential real estate and provide extensive topics such as Mortgage Readiness and Affordability, Hiring a Realtor, The Home Inspection and On-Going Home Maintenance. In FY 2018, HPI proudly served 305 new and potential home buyers, a dramatic increase from FY 2017.

LHOME Established as CDFI

Recognizing the need for a Community Development Financial Institution (CDFI) in underserved Louisville, Executive Directors Judy Tiell of the Jewish Family & Career Services and Cathy Hinko of Metropolitan Housing Coalition partnered to create a Louisville-based CDFI to provide micro-lending to those in need. Since its inception in 2011, LHOME has been incorporated as a 501(c)3. In 2017, LHOME expanded its Board of Directors to recruit expertise in affordable housing nominating HPI President Andrew Hawes as Board Chair and HPI Chief Financial Officer Patrick Cornett as Treasurer. Under the leadership of the newly expanded Board and LHOME's recently hired President, Amy Shir, LHOME achieved certified CDFI status on June 7, 2018— six months ahead of schedule!



LHOME is a mission-driven nonprofit financial institution that provides affordable loan products and financial coaching services to low-income small business owners, renters and homeowners in Louisville, KY.

Fiscal Donor List

\$5,000 +

Habitat for Humanity

\$4,999 - \$1,000

Anonymous

\$999 - \$500

William Shircliff

\$499 & Below

Amazon Smile

Andrew Hawes

Anonymous

Audrey Ratcliffe

Christina Combs

David Howard

Dennathan Taylor

James Taylor

Linda Holland

Lynda Gibson

Martina Surma

Olivia Sweeting

Rebekah Beran

Thank You!



2018 FINANCIAL STATEMENTS

Fiscal Year Ending June 30, 2018*

Assets

Cash, Cash Equivalents,
and Receivables \$ 6,835,330

Other Assets

Prepays \$ 309,407
Investment in Real Estate
Development \$ 69,818,083
Homes in Progress \$ 1,813,390
Captive Insurance \$ 74,000
Office Furniture & Equipment, net \$ 477,276
Other Assets \$ 127,571

TOTAL ASSETS \$ 79,455,057

Liabilities

Current Liabilities \$ 4,134,045
Long-Term Liabilities \$ 61,013,420

Net Assets

Total Net Assets \$ 14,307,592

TOTAL LIABILITY & NET ASSETS \$ 79,455,057

Operating Results

Revenues

Housing Production \$ 1,277,669
Housing Resources \$ 1,870,167
Property Management \$ 8,155,431
Operations \$ 542,146

TOTAL REVENUES \$ 11,845,413

Expenses

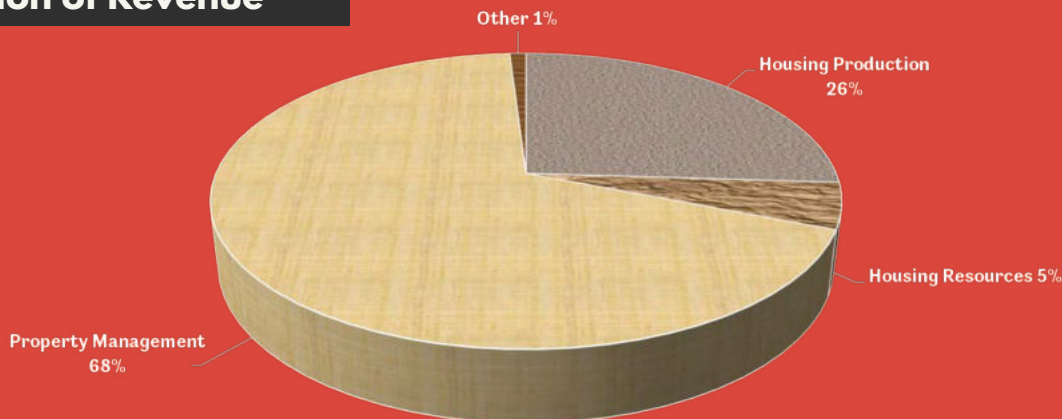
Housing Production \$ 1,018,954
Housing Resources \$ 1,611,555
Property Management \$ 6,332,035
Operations \$ 1,889,414

TOTAL OPERATING EXPENSES \$ 10,851,958

Other \$ 143,317

NET OPERATING INCOME \$ 850,138

Allocation of Revenue



*Combined financials are unaudited and contain certain management assumptions.
NOTE: Depreciation and interest are not included in Operational Results.



HPI LEADERSHIP & BOARD OF DIRECTORS



Andrew Hawes
CEO & President



Patrick Cornett
EVP & CFO



Lisa DeSpain
VP & COO

Board of Directors

J. Barry Barker
Board Chair

Transit Authority of River City

Clay Stinnett

Board Chair Elect
Stock Yard Bank

Laura Douglas

Past Board Chair
Community Leader

Christie Ames
Republic Bank &
Trust Company

Tim Barry
Louisville Metro
Housing Authority

Maria Bouvette
Louisville & Jefferson
County Riverport

Lori Flanery
New Directions
Housing Corporation

William Gatewood
Metro Housing
Resource Center

David Howard, Jr.
Federation of
Appalachian Housing

Andrew Hawes
The Housing
Partnership, Inc.

Scott Keadle
Jones Lane LaSalle

Douglas Leezer
Citi Community Capital

Rob Locke
Habitat for Humanity
of Louisville

Jennifer Moore
PNC Bank

Diane Murphy
Wesbanco Bank

Mark Offerman
Kentucky Legislative
Research Commission

Andrew Parker
Wilson Muir Bank & Co.

Andrew Pyles
Eclipse Bank

Becky Roehrig
River City Housing

Chuck Schram
LG&E and KU

Tammy Thomas
Citizens Union Bank

Joseph Tolan
Community Leader

Jack Trawick
Community Leader

Robert Vice
Reed, Weitkamp, Schell
& Vice PPLC

Billie Wade
Hope of Kentucky, LLC

Mark Wheeler
Central Bank of
Jefferson County

Marita Willis
The Hope Collaboration

Rick Wimsatt
Brown-Foreman Corp.

MEET THE TEAM

HPI STAFF

"Without the hard work, dedication and passion of our staff, HPI would have very little impact. Together, we make a difference. Together, we are stronger."

– Chief Operating Officer , Lisa DeSpain

Administration & Finance

Dorothy Bedu-Addo, Beneva Bibbs, Christian Combs, Patrick Cornett, Johnny Gibson, Clarrisa Freeman, Andrew Hawes, Jo Ann Henning, James Lauder, Joshua Ritchie, Martina Surma

Housing Production

Landen Burcham, Jeremy Dyer, Joshua Hooper, Allison Thomas

Housing Resources

Elizabeth Agerton, Michael Gardner

HPI Property Management

Tara Carmen, Cynthia Dailey, Rosalie Dailey, Jessica DeBarr, Lisa DeSpain, Mackie Falireas, Hannah Farley, Angela Green-Bruce, Lisa Gritton, Kevin Marshall, Audrey Ratcliffe, Traci Robertson, Susan Wayne, Michelle Wheeler

HPI Property Maintenance

Terry Allen, Coda Alvey Jr., Fnu Ammerjan, Cherri Craycraft, James Dumm, Frederick Ferguson, Cecil First III, Stephen Gallahue, Samad Ghafari, Steven Genslinger, William Hendrix, Michael Hinton, Angela Marie Hunley, Mohammad Nasir, Terrell Shelton, Raymond Smith, Carla Summers, James Taylor, Dennis Vorhees, Raymond Walker, Cedric Watson





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POSTMASTER GENERAL

HPI



WeAreHPI.org

