



Kentucky Caucus Agenda

Tuesday, Feb. 13, 2024, 10:00 am - 3:00 pm
Fahe Office, 319 Oak Street, Berea, KY 40403

- 1) Welcome Members and Recognize Guests** (Cassie Hudson, Vonda Poynter)
Adrienne Bush – HHCK (virtual); Curtis Stauffer - KHC; Traci Vaught, Blaine Barnes-
USDA-RD; Conner Creaghead – FHLB-CIN; Cassandra Booth – NeighborWorks®
America, Southern Region; Lona Brewer- KY EEC (tentative)

2) Fahe Membership Business

30 Minutes

- a. Review Previous Minutes and Action Items **pp. 3-8**
- b. Caucus – Around the Horn – What are you planning for this year?
- c. Highland Housing Corporation – Membership presentation – Gordon Kidd **pp. 9-16**
- d. Executive Leadership Report **pp. 17-19**
- e. 4 Corner Working Group Testimonies **Capacity – Narrative – People - Money**

PARTNER TIME

3) USDA Updates – Blaine Barnes, Traci Vaught

10-15 Minutes

- a. USDA Rural Housing Assistance Grants (RHAG) status

4) KHC Updates – Curtis Stauffer

15 Minutes

- a. ARPA program(s) status, HOME-ARP with Supportive Housing
First HOME ARP rental SHP with LIHTC awards – funding status
Western KY Rental Round
- b. Rural Housing Trust Funds – are they moving?
- c. Fahe Members' "Top 5" wish list for how FHLB programs could
better support affordable housing work across EKY – request
from Wendy, Nat'l Council State Housing Agencies.

5) Federal Home Loan Bank Update – Connor Creaghead **pp. 20-21**

10-15 Minutes

- a. 2024 Implementation Plan for housing programs released December, 2023
- b. Carol M. Peterson – CMPHF submission window opened Feb. 1st
- c. DRP – Using these funds? (\$20,000 rebuild; \$5,000 rental) extended until Dec 31, 2024
- d. AHP window opens May 1st; due July 1st

6) HHCK update - Adrienne Bush

10-15 Minutes

- a. KY Legislature Affordable Housing Caucus
- b. State Legislative Actions on Housing

7) Other Updates

10-15 Minutes

- a. CDBG Update – 21 CDBG-DR for WKY & EKY – DLG accepting applications
CDBG-DR – apply for duplexes under multi-family rental
- b. 2022 CDBG-DR Action Plan submitted by DLG to HUD in December
- c. Outdoor Ventures – McCreary County - foam & steel panels – possible tour

8) Housing Needs Assessment Update – Katy Stigers, Jackie Strager **pp. 22-32**

20 minutes

Final Report: <https://www.fahemembers.com/wp-content/uploads/Fahe-FinalReport-WVU-June-2023.pdf>

LUNCH – 12 or 12:30

9) KY EEC Information – from Lona Brewer – see packet **p. 33**

10-15 Minutes

10) Housing Can't Wait – Pam Johnson **pp. 34-36**

5 minutes

Website: <https://www.housingcantwait.org/>

STRENGTH IN NUMBERS TIME - CAUCUS TIME - Open Floor – topic or a question for next meeting?

11) Advocacy (Maggie Riden)

20-30 Minutes

- a. State Updates –
KY Caucus Elevator pitch – are we using it?
One in 4 of our friends and neighbors live on less than \$10,000 a year. We believe everyone deserves a warm and safe home. Help us use the power of housing to transform Appalachian Kentucky from a region of poverty to a place of prosperity.
- i. Advocacy Coalition – Andrew abates@fahe.org
 - Report on Jan. 9 – Have a Heart for Housing Day at Capitol
 - Legislative goals
 - Updates on tracked bills
- ii. Rural Housing Trust Fund – Update on conversation with Stivers – Vonda
- b. Federal Updates – Josh Stewart

12) Member Interest – Focus Updates

- a. Operational Strategies – Drafts for Member Input – Traviss Witt **pp. 36-41**
- b. Workforce Development
- c. Energy Opportunities – pending announcements in March
- d. Opioid Settlement Funds

10 minutes

13) Fahe Updates –

- a. Board Meeting Report – Dec. 2023 – Scott McReynolds, Seth Long, Diane Loeffler
- b. Membership Committee - Cassie
 - Affiliate Partners (i.e.: housing/comm. dev. partners with shared interest in affordable housing) – attached for review **p. 42**
- c. Membership Updates **pp. 43-44**
 - Reporting – QE 12-31-23 status- Vonda
 - Membership Training - Jackie
 - Health and Housing – Nicholas
 - Business Continuity Planning – Diedre Kendall, Fahe VISTA
 - Member Disaster Risk Assessment – Jeremy Cornett, Fahe VISTA
- d. Communication Round up – Lina Page
- e. REED, Research Evaluation Evidence & Data Cmte - Katy Stigers, Camila Moreno
 - Mapping Feedback Requested (building better data)
- f. Lending – Community Lending (**see memo**) and JustChoice Lending **p. 45**
- g. Partners for Rural Transformation - Sara Ball (**see memo**)

Upcoming Events

- **Feb. 22**, 11:30 am ET - Fahe Advocacy Webinar– **Primer on the Federal Budget w/Josh Stewart**
- **Feb. 26-Mar 1** - NeighborWorks Training Institute (NTI) returns to San Francisco, CA
- **April 17-18** – Leader’s Summit/Spring retreat, Berea, KY
- **April 19** - FHLB AHP Workshop, Louisville, KY
- **May 6-10**: NeighborWorks America Virtual Training Institute (VTI)
- **June 4** – **KY Caucus Meeting** – location TBD
- **Aug. 26-30**: NTI Pittsburgh, PA
- **Sept. 9-11** – Fahe Annual Meeting, Roanoke, VA

Sign up for Fahe’s Member Newsletter here: www.fahemembers.com/signup

Sign up for Fahe’s Blog here: www.fahe.org/signup

| Name | Organization | Name | Organization |
|--------------------|-------------------------|------------------|--------------------|
| Wilma Kelley | BHCD | Barry Turner | Guest-USDA |
| Charles Lester | Bell-Whitley CAA | Diane Loeffler | Fahe Board |
| Bryan Byrd | CAP | Amanda Scalph | Fahe |
| Donna Noe | COAP - Virtual | Andrew Bates | Fahe-Virtual |
| Brenda Weaver | Comm. Ventures- Virtual | Ashton Whitney | Fahe |
| Angie Allen | Frontier - Virtual | Diedre Kendall | Fahe |
| Tom Manning-Beavin | Frontier | Drew Pritchard | Fahe-Virtual |
| Seth Long | HOMES | Jackie Weiss | Fahe-Virtual |
| Scott McReynolds | HDA | Jamie Puckett | Fahe-Virtual |
| Michael Swafford | KCEOC | Jerri Dyer | Fahe |
| Gordon Kidd | KHIC/HH | Jim King | Fahe |
| Rob Dowden | KMHDC | Josh Stewart | Fahe-Virtual |
| Angela Crase | KRCC-Virtual | Katy Stigers | Fahe-Virtual |
| Lyndze Smoot | KRCC-Virtual | Maggie Riden | Fahe-Virtual |
| Jimmy Stone | KRFDC | Nicholaus Bormes | Fahe |
| Cassie Hudson | Partnership Hsng | Tanzi Merritt | Fahe |
| Anne Price | PSHH - Virtual | Traviss Witt | Fahe |
| Lona Brewer | Guest-EEC | Vonda Poynter | Fahe |
| Davie Nguyen | Guest-DOE | Savannah Smith | PRT-Intern-Virtual |
| Adrienne Bush | Guest-HHCK | Essence Smith | PRT-Virtual |
| Jessica Shelton | Guest-KHC | | |

15 of 15 Members represented = 100% attendance!

1) Welcome Members and Recognize Guests (Cassie Hudson, Vonda Poynter)

Adrienne Bush – HHCK; Lona Brewer- KY EEC; Jessica Shelton - KHC; Blaine Barnes- USDA-RD; Davie Nguyen, US DOE (virtual)

2) Fahe Membership Business

- a. Review Previous Minutes and Action Items - Motion by Gordon Kidd, Tom seconded. Minutes passed unanimously.
- b. KHC Announced 10-23-23 – congratulations Members on Rural Housing Trust Fund awards: Beattyville Housing Development Corp., Frontier Housing, HOMES, Inc., Housing Development Alliance, Partnership Housing, and also Daniel Boone Community Action Agency and Sandy Valley Habitat for Humanity – totaling \$9M
- c. Caucus – Around the Horn
 - Having trouble filling positions? General consensus that yes, struggling to hire and keep good staff.
- d. Annual Meeting Download – Time well spent?
- e. Four Corner Work Group Updates
 - Four Corners thoughts – Money: Increasing investment, Capacity: Expanding Capacity, Narrative: Building a New Narrative, People: Growing Strength in Numbers. Let Jackie/Vonda know if you would like to be on a working group, want your ideas.

f. False Executive Report

- Housing crisis is top of mind. New funding from Greenhouse Gas fund. Housing crisis – from economic standpoint, housing is at the center more than ever. Production of housing overall is a big issue, what do we need to do to get units on the ground? Funding – Rural Housing Trust fund, having conversations around Robert Stigers. Greenhouse Gas Reduction Fund is too much money to ignore, 27M. Turn in a lot of support letters, 7 applications. Policy-wise, may have housing policy summit with governors, they are talking about it internally. How to push administration to make new promises and hold them accountable on next go-around. Talk about HR strategies for not only retaining but recruiting.

PARTNER TIME

3) USDA Updates – Blaine Barnes

a. Regular Funding

- We have received funding under the current Continuing Resolution (CR) which expires on Friday, November 17, 2023. Under the CR we have received funding for the 502 direct loan program (priority requests will be given for self-help, certified packaging via an intermediary, and hardships), the 502 guaranteed loan program, and the 504 loan and grant program
- For SFH direct loans, we received \$78 million nationwide
- For 504 loans, we received \$576 thousand nationwide
- For 504 Grants, we received \$6.2 million nationwide

b. Disaster Funding - Rural Disaster Home Repair Grant Program funding is not yet available, but this funding is expected soon

c. Updates to Handbook-1-3550 - With the posting of [PN 595](#) dated October 19, 2023, changes were made to Handbook (HB)-1-3550, Chapters 1, 3, and Appendices 3 and 12. To follow is a brief summary of the changes, please review the PN carefully for more details:

- o Chapter 1 was revised to provide clarification regarding reasonable accommodations and minor changes/updates to Attachments 1-B and 1-C.
- o Chapter 3 was revised to provide updates to:
 - Construction Loan Estimate & Closing Disclosure issuance.
 - Timely application processing guidance.
 - Modification of HB Letter 3 to 3-A, and addition of HB Letter 3-B.
 - Updated guidance that all packaging types must submit applications through eForms.
 - Guidance added for acceptance of third-party appraisals ordered by self-help grantees, certified packagers, and Agency-approved intermediaries.
 - Clarified actions to be taken by the State Office when an intermediary is not involved because a non-certified packaging body was approved by the State Director, including a standardized Memorandum of Understanding with non-certified packagers.
 - The credit report fee charged to Section 502 applicants will be increased to \$30. The new credit report fee must accompany all applications which are received (or postmarked) after the date of the PN.
- o Appendix 3 was revised to update Handbook Letters 1, 3 to 3-A, addition of 3-B, and 16.

d. Interest Rate Increase for SFH Direct Loans - The interest rate for 502 direct loans will increase to 4.50% on November 1, 2023

e. New Foreclosure Servicing Process - More information will be forthcoming on this process soon

4) KHC Updates – Curtis Stauffer, Jessica Shelton

- a. ARPA program(s) status, HOME-ARP with Supportive Housing First HOME ARP rental SHP with LIHTC awards – funding status
- b. Application deadline just after Christmas
- c. Hosted training on Monday, thanked those who attended.

5) Federal Home Loan Bank Update

- a. Carol Peterson – All projects must be complete/disbursement requests entered **by 12/1**
– cannot get reimbursed if you don't turn in a request.
- b. DRP - Are the funds moving (\$20,000 for rebuild; \$10,000 for rental)
- c. AHP Awards will be announced the Tues. before Thanksgiving for 2024
 - Get your applications and projects ready
- d. 2024 Implementation Plan for housing programs will be released end of Dec.

6) HHCK update - Adrienne Bush

- a. KY Legislature Affordable Housing Caucus
 - Met October 12, Patrick Bowen spoke about economic development, wages, not keeping up in community; Was well received. He was able to speak to legislators, talked about state based solutions. More vouchers to supply difference between housing cost and wages.
- b. State Legislative Actions on Housing
 - Can't take official action until come back in January. Talking to legislators in eastern KY and committee and vice chairs about housing budget asks and there is still a surplus at this point. Have a build request in progress that includes housing pieces like tripling Housing Trust fund piece. Potentially creating rental assistance program for young women with children.

7) Other Updates

- a. CDBG Update – 21 CDBG-DR for WKY & EKY – DLG accepting applications
 - Fahe is working on applications, hopefully will be under contract with them soon.
- b. 2022 CDBG-DR Action Plan will be in process - Last heard, is getting translated from English to Spanish, not released yet.

LUNCH – 12:00

- 8) Energy Information** - Lona Brewer, KY EEC, Davie Nguyen, US DOE, Interagency Work Group, Energy Communities – Staff of 9 people, administering 300M. Also struggling with hiring based on salary. Tasked with doing letter of intent, initially with 50M. Heard from others in the state that wanted to join, switched and asked for 100M, then others decided to pull out. 50M looking at going into rural disaster areas. Provide funding for solar panels for homes in disaster areas. Weatherized, energy efficient, energy storage. 100M for KY if they are successful. Electric appliance 67M. Have to submit application by July, already applied for bank administrative money to develop program. Access to utility data, continual protection.

Davie Nguyen From the Department of Energy Presentation: Inflation Reduction Act is History-Making Policy – extends to more than just helping depts, really beneficial for states and municipalities as well. Can combine Clean Energy Investment tax credits and bonuses. If owned by a tax-exempt entity, could be a direct cash payment from IRS. Tax credits for manufacturing, tax incentives for home builders. Home energy audit can get credit of up to \$150. Families can claim up to \$1200 in credit for new windows. Also rebates for electric appliances. Most credits are available through 2032.

9) Housing Can't Wait – Website: <https://www.housingcantwait.org/>

Ashton – Flood coalition – news and stories, numbers, current members – 250 homes have

been rehabbed, 50 built, and over 200 homes in the pipeline. Planning to extend the coalition even more.

STRENGTH IN NUMBERS TIME - CAUCUS TIME - Open Floor – topic or a question?

10) Advocacy (Andrew Bates)

a. State Updates –

KY Caucus Elevator pitch:

One in 4 of our friends and neighbors live on less than \$10,000 a year. We believe everyone deserves a warm and safe home. Help us use the power of housing to transform Appalachian Kentucky from a region of poverty to a place of prosperity.

i. Advocacy Coalition – Affordable Housing Trust Fund increase funding; RHTF

- Andrew abates@fahe.org or Maggie mridden@fahe.org

Official 2024 Legislative agenda – Renew Affordable Housing Trust Fund, set up by 10M over the next two years. Affordable Housing Trust Fund fees, asking for 40M direct investment to use in parts of the state that the AHTF does not reach. Keep Andrew in the loop. Currently working on developing supportive materials to go with legislative agenda.

New guidance on ARPA funds, greatly expands eligibility for state and local physical recovery funds. Asking everyone to check with local governments to see if they have any state or local physical recovery funds remaining, probably can use for housing development or rehabs. <https://nlihc.org/resource/treasury-releases-updated-guidance-facilitate-use-slfrf-affordable-housing>

b. Federal Updates – Josh Stewart

- Appropriations – heard from USDA about continuing resolution – the current continuing resolution runs out in Nov, looks like it will be continued again. 502 Direct – huge cut, 30% in Senate and House. In spring and summer, concern around 502 receiving program changes, interest rate change from 1% to 2% is off the table now according to verbal assurance.
- CRA – New regulations are very long, news is not spectacular. Some of Fahe's comments were included in final rule but were not addressed. Coming into effect in 2027, if you have not already been served by CRA, then unlikely you will be able to. If you have been served by CRA, you may have to shop around to retain that. Call your representative about cuts, tell them you need money to continue the work you do. Fahe can help with contact info and introductions. If you want scripts, Advocacy can do that.

11) Member Interest – Focus Updates

a. Workforce Development – Travis Witt

- AmeriCorp is also an excellent way to get dedicated staff. There are some things that other organizations do not have – mission, sense of purpose.

b. Department of Energy Opportunities

- Summary sheet in packet. Too large a pot of money to ignore, part of work we already do. 3 pots of funds. Did not get Renewing America's nonprofit award. Awarded only 7. Funds will still be there so if project continues, still a possibility.

c. Opioid Settlement Funds

- Flinthills got awarded 500k, has a housing component to it. Next opens January 1st for the program. Awards are usually between 100k and 1M per project. Could be very long term funding.

d. Broadband

- Giant pot of money sitting with the state, 42B went to state earlier in year, state wants to put together broadband plan. Later in 2024, the digital equity act funds will be available. Older multi-family units or older units in general could upgrade

broadband capability.

12) Fahe Updates –

- a. Board Meeting Report – Scott McReynolds, Seth Long, Diane Loeffler
 - Meeting in July, talked about annual meeting, four corners, strategic plan. Your voices matter. Executive session in October, meet again in December. Clean financial audit. Jim's evaluation also was good.
- b. Membership Committee - Cassie
 - Affiliate Partners (i.e.: housing/comm. dev. partners with shared interest in affordable housing), Associate Member (all still pending)
 - Talking about letting affiliate partners and associate members join. Need to be distributed and reviewed by Caucuses. For organizations that don't quite qualify for membership or are interested but aren't ready for membership yet.
- c. Membership Updates
 - Reporting – QE 9-30-23 status- Vonda
 - Reporting was a little bit low across the board, total around 65 or 68%. You can report this quarter when submit next quarter. Need the reporting. This is the first quarter of new federal fiscal year, will get information out early, prior to the end of December, due by 15th of January.
 - Impact Statement was just finished, will work on getting to the members.
 - Membership Training – Jackie
 - Registration has opened for NTI in San Francisco – Fahe has a little money to support attendance, 200-300. Might be better to do virtual training in February or training in August will be in Pittsburgh. Eligible for free hotel for the week but spots are limited, let Jackie know.
 - Fahe Members site has spot for disaster recovery and flood recovery response info, it is dated. Diedre is wanting to revamp the site with more information so if you have anything you are proud of or want to highlight, send to Diedre. If there is anything you want to see, let Diedre know that as well.
 - Health Collaborative – Nicholas
 - Just received 3rd year funding, 200k, we are reporting quarterly. Individually, members are getting 22k. Most of the money is being used to retain capacity, want to be able to start new projects or put more into existing projects. Working on an ask for more money. Approaching as a group not individuals makes a big difference.
 - Working Group Meetings with Ballad Health, sometimes with guest speakers. If interested, let Nicholas know.
 - Repeating Trauma Informed Care training program available again next year for about 6 months, there is a cap on who can be there. Similar program but different speakers.
- d. Communication Round up – Lina Page
 - Big picture is that our network knows what to do on the ground, just lacking resources. Working on visibility and reputation to bring in more support. Fahe is extremely well known in a tight circle of supporters but would like to expand our circle. Will be following up over the coming weeks and months to collect stories to support key themes. Consider joining the Narrative working group, wording and positioning can be powerful tools.
- e. REED, Research Evaluation Evidence & Data Cmte - Katy Stigers
 - Want ongoing conversation about things that are important such as manufactured housing. If you have anyone on your team that spends time on

data, send them to Katy. Updated invitations coming, great speaker, connecting with researchers. Next speaker is on the importance of local news.

- Real challenges for members in using census track data for cases and needs assessments. Smaller areas don't have reliable estimates, working with statistics experts, devise data that is bigger than Census track but smaller than state programs. Going to be sending out maps, seeing which ones are better. If you aren't the right person to answer which is better, please forward to who would be best to answer.

- Office hours: 1st Tues. 9:30-11:30am & 3rd Thurs. 1-3 pm
- Standing Committee (REED): 2nd Mon. of each month, 1:00- 2:15 pm
- Contacts: kstigers@fahe.org cmoreno@fahe.org

f. Lending – Community Lending and JustChoice Lending **p. 14**

- Home Sweet Home program is relaunching, flyer in the agenda.

g. Partners for Rural Transformation Update – Essence Smith

- In the past, had questions about what PRT does and who they are, especially in relation to Fahe and members – some info in packet. PRT amplifies Fahe's voice at national level, inclusion of national partners/partnership through PRT. National victories – 10-20-30 increased resources to our area, language in executive order from President Biden about rural America, and attention from Torres-Small et al. Have some advocacy things coming up, everything else story map is in second iteration. One story from KY on the site.
- For Communications inquiries: essence@pfrt.org
For Research/Advocacy inquiries: emily@pfrt.org
For Fund Development/Lending inquiries: sarab@pfrt.org
For general inquiries: tmantiply@pfrt.org
Story Map Website: <https://storiesofruralamerica.com/>
PRT's Website: <https://www.ruraltransformation.org/>
Connect with us on Twitter: <https://twitter.com/PfRTorg>

Need to think about replacing '36-'76 mobile homes coming up.

PAX National Rural Housing Conference, particularly HUD is leaning heavily into manufactured housing. Claiming that it is cheaper than stick built, don't believe that is the case. Not high quality or energy efficient housing. Find way to get better information but would need more people power, MLS data is very expensive.

Motion to adjourn, seconded. Motion passed, adjourned at 3:02 pm.

Upcoming Events

- **Nov. 8** – 3 pm ET (2 pm Central) – Fahe KY Advocacy Coalition Meeting
- **Nov. 29** – 3 pm ET (2 pm Central) – Fahe KY Advocacy Coalition Meeting
- **Feb.** date TBD – KY Caucus Meeting
- **Feb. 22** – 10 am ET -**Fahe Advocacy Webinar**
- **Feb. 26-Mar 1** - NeighborWorks Training Institute (NTI) returns to San Francisco, CA
- **April** date TBD – Fahe Spring Retreat/Exec. Director Symposium, KY
- **May 6-10**: NeighborWorks America Virtual Training Institute (VTI)
- **Aug. 26-30**: NTI Pittsburgh, PA
- **Sept.** date TBD – Fahe Annual Meeting

Sign up for Fahe's Member Newsletter here: www.fahemembers.com/signup

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Financial Analysis

| | |
|-----------------------|--|
| Author: | Dwain Neeley – VP of Community Lending |
| Date Prepared: | December 2023 |

Subject

| | |
|-----------------------|---|
| Borrower Name: | Southern Tier Housing DBA Highlands Housing Corp |
| Address: | 110 Stardust Ave Monticello, KY 42633 |
| Phone Number: | (606) 578-2508 |
| Contact: | Gordon Kidd – Executive Director |

Profile

| | |
|--|---|
| Background, Management, Experience: | <p>Highlands Housing Corp (HHC) was established in 2007 as an economic development effort to meet local housing needs, increase employment opportunities, and to help stimulate new housing development. At its inception, HHC served six of Kentucky's poorest counties with limited affordable housing development activity. Since then, HHC has expanded its geography and services offered to cover nine Kentucky counties, Bell, Clinton, Cumberland, Laurel, McCreary, Pulaski, Rockcastle, Wayne and Whitley Counties.</p> <p>Oversight of HHC is provided by a board consisting of 9 members, from varied backgrounds of experience with nonprofit and for profit companies.</p> <p>Impact:</p> <p>Since its inception, HHC has assisted 160 families in achieving the dream of homeownership, and is directly or indirectly responsible for adding over \$18M to the local tax base, \$2.5M of new housing investment, created more than 300 new jobs, and loaned over \$16M through a variety of federal and non-federal mortgage lending programs.</p> <p>Mission Statement:</p> <p>Develop high-quality, energy-efficient housing and provide equitable financing in southern and eastern Kentucky, with an historic focus on Bell, Clinton, Cumberland, Laurel, McCreary, Pulaski, Rockcastle, Wayne and Whitley Counties.</p> <p>Services Offered:</p> <p>Mutual Self Help Housing</p> <p>Homebuyers are required to contribute a minimum of 30-hours a week toward the construction of the home.</p> |
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Traditional New Construction

Homes are built by local contractors, working in partnership with HHC.

Rehabilitation of Existing Home

Renovation work is completed by local contractors working in partnership with HHC

Credit Counseling and Acquisition financing programs.**Key Leadership****Executive Director: Gordon Kidd**

Gordon Kidd has served as the CEO and Senior Loan Officer for Highlands Housing Corporation since 2018. He is responsible for creating and inspiring interest in the organization's homeownership programs within the communities Highlands Housing serves. Gordon is a McCreary County native with over 33 years of experience in the banking industry. He holds a bachelor's degree in Business Administration from the University of the Cumberlands and an MBA from Eastern Kentucky University.

Chief Financial Officer: Ken Stegman

Ken Stegman serves as the CFO for Highlands Housing Corporation, and Technical Systems Engineer for Kentucky Highlands Investment Corporation. Ken's responsibilities include business planning and research, financial modeling, budgeting and providing technical assistance to portfolio companies in the area of accounting and information systems. Ken holds a Bachelor of Science Degree in Business Administration with an emphasis in accounting and finance. He has attended various business-related conferences and classes in accounting and computer information systems. He is also a member of Leadership Tri-County and a Microsoft Systems Engineer.

VP of Construction – Darrell Kinnett

As the HHC Construction Manager, Darrell Kinnett oversees the construction of all home construction projects. A Wayne County Kentucky native, and third generation builder, Darrell has nearly 40 years of construction experience to call upon as he leads and coordinates all activities related to the day to day management of the housing construction program. During his time at HHC, he overseen the construction of over 100 single-family homes. His additional responsibilities include, Energy Star certifications, keeping up to date with code enforcement regulations, and is certified to perform HERS ratings and state required HVAC duct testing. Darrell holds a holds an electrical, and a Master Contractor license in Kentucky.

Project Manager; Ray Lewis

A Laurel County Kentucky native, Ray Lewis is responsible for overseeing the construction of new homes built by Highlands Housing. Prior to joining Highlands Housing, Ray owned a construction business for 14 years where he performed new construction, remodeling, and flooring making him a perfect fit for the work he performs for Highlands Housing serving homeowners in Bell, Laurel, Rockcastle and Whitley Counties.

Financial Analysis

General:

We have the audited financial statements of HHC for the FY 2020, - 2023. HHC also provided YTD Balance Sheet, Profit & Loss and Cash Flow Statement. However, for the continuity of the analysis, the underwriter focused on the audited financial statements only.

Loan Loss Reserve

HHC has established a methodology to determine the adequacy of the allowance for loan losses that assesses the risks, and losses inherent in the loan portfolio. For purposes of determining the allowance for loan losses, HHC segments the forgivable loans separate from all other loans in its loan portfolio. The loans are segmented as forgivable and all other loans.

The allowance for forgivable loans is equal to 100% of all outstanding forgivable loans. The allowance for all other loans is based upon analysis of each loan on an individual basis. HHC leadership believes this is an adequate methodology due to the small size of the portfolio and will analyze any necessary amendments to this policy as their loan portfolio grows.

LOANS BY SEGMENT

The total allowance reflects management's estimate of loan losses inherent in the loan portfolio at the balance sheet date. The Organization considers the allowance for loan losses of \$112,367 adequate to cover loan losses inherent the loan portfolio as of March 31, 2023. The follow table presents, by portfolio segment, the changes in allowance for loan losses.

| Allowance for Loan Losses March 31, 2023 | | | |
|---|-----------------------------|------------------------------|------------|
| | Homeownership- Amortized | Homeownership- Forgivable | Totals |
| Beg. Balance | \$ - | \$ 88,327 | \$ 88,327 |
| Charge-Offs | - | - | - |
| Forgiven | - | (7,673) | (7,673) |
| Recoveries | - | - | - |
| New Loans | - | 31,713 | 31,713 |
| Provision | - | - | - |
| End. Balance | \$ - | \$ 112,367 | \$ 112,367 |

Credit Quality

HHC uses FICO credit scores to determine a lending applicant's credit worthiness. After the loan is made, there is no further review of these scores. The following represents estimates of the FICO scores of applicants as a percentage of the total portfolio.

FICO Score Percentage

800+ 5%

750-799 5%

650-749 75%

600-649 10%

Below 599 5%

It should be noted, as the date of the report, HHC has no impaired or non-performing loans.

Liquidity

As part of the Organizations liquidity management, it pools cash in excess of daily requirements in other demand deposit accounts such as savings or money market accounts.

The Organizations financial assets available within one year of the balance sheet date for general expenditure are as follows:

| | <u>2023</u> | <u>2022</u> |
|--|---------------------|-------------------|
| Cash and cash equivalent | \$ 702,978 | \$ 686,481 |
| Accounts receivable | 480,596 | 60,000 |
| Grants receivable | 13,088 | 12,964 |
| Contracts receivable | 621,924 | 530,937 |
| Total financial assets | <u>1,818,586</u> | <u>1,290,382</u> |
| Less restricted cash | <u>(311,998)</u> | <u>(411,426)</u> |
| Financial assets available for expenditure | <u>\$ 1,506,588</u> | <u>\$ 878,956</u> |

None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date.

| | |
|--------------------|---|
| Financials: | <p>Income</p> <p>In all years reviewed, HHC showed positive trends in the majority of the financial categories reviewed. Liquid cash on hand showed significant positive growth, year over year, going from \$173K in 2020 to more than \$700K in 2023, driving a similar increase in overall Assets which increased from \$1.3M in 2020, to over \$2.3 in 2023.</p> <p>HHC home construction/renovation, and home sales provides the primary source of revenues, generating an average of \$1.7M annually. In addition, HHC also earns revenues from its lending program, homebuyer education programs, and investments in construction projects with other partners. Overall driven by the primary sources noted above, earned revenues were steady in all years reviewed at approximately \$2M.</p> <p>While earned revenues are its primary source of revenues, HHC uses grants as a secondary source of capital. Having a proven source of earned income year over year, gives HHC the means to use the grant funds to supplement in place of cash on hand, making them a more financially self-efficient organization. With a high level of self-efficiency HHC can plan ahead and better forecast future projects and financial growth.</p> <p>Expenses</p> <p>By all appearances, HHC appears to handle its expenses very well. With current liabilities averaging approximately \$200K annually, and its only long term debts limited to 3 loans payable being to Kentucky Highlands Investment Corp for a total of approximately \$1.6M:</p> <ul style="list-style-type: none"> - \$1M revolving Line of Credit used for working capital. Rate 2.5% - \$455K Term Loan, renewable annually. Rate 2.5% - \$142K Term Loan, Maturity 4/2042, Rate 2% <p>Program and management expenses reflect the majority of HHC funds are returned to its mission with program related expenses outweighing management more than 18 to 1. At the end of 2023, HHC had the financial means available to fund its annual operation expenses for over 150 months, and overall operations for 4 months.</p> <p>Financial Spread – Attachment 1</p> |
|--------------------|---|

| Alignment Assessment | <p><u>Alignment Assessment Summary</u></p> <p>With the goal of being a member of Fahe, HHC exemplifies empowerment of the people and community through the development of affordable housing in its 9-county service area. This is shown through the commitment of the executive leadership and board with a vision and commitment to their Strategic plan. Please Attachment 2.</p> <table border="1" data-bbox="326 422 1484 1379"> <thead> <tr> <th data-bbox="326 422 800 457">Fahe Commitments</th><th data-bbox="800 422 1484 457">HHC Alignment</th></tr> </thead> <tbody> <tr> <td data-bbox="326 457 800 600">Leadership</td><td data-bbox="800 457 1484 600">HHC as a proven track record of development/renovation and sale of affordable housing in its multi-county service area.</td></tr> <tr> <td data-bbox="326 600 800 858">Housing</td><td data-bbox="800 600 1484 858">HHC's main source of program revenue comes from the development and sale of affordable homes. Coupled counseling, HHC positions its product as a foundation for homeowners to access leadership, education, health & well-being, and economic opportunities.</td></tr> <tr> <td data-bbox="326 858 800 968">Education</td><td data-bbox="800 858 1484 968">HHC partners with HUD and others to provide homeowners with pre-purchase counseling education.</td></tr> <tr> <td data-bbox="326 968 800 1098">Health & Well-Being</td><td data-bbox="800 968 1484 1098">HHC's program is aligned with the principle that housing is a foundational element of a household's health and well-being.</td></tr> <tr> <td data-bbox="326 1098 800 1379">Economic Opportunity</td><td data-bbox="800 1098 1484 1379">Home construction involves sub-contractors in the 9-county geographic area HHC serves, creating economic opportunity through a variety of construction jobs. Homeowners also experience wealth building through the equity in their homes over time.</td></tr> </tbody> </table> | Fahe Commitments | HHC Alignment | Leadership | HHC as a proven track record of development/renovation and sale of affordable housing in its multi-county service area. | Housing | HHC's main source of program revenue comes from the development and sale of affordable homes. Coupled counseling, HHC positions its product as a foundation for homeowners to access leadership, education, health & well-being, and economic opportunities. | Education | HHC partners with HUD and others to provide homeowners with pre-purchase counseling education. | Health & Well-Being | HHC's program is aligned with the principle that housing is a foundational element of a household's health and well-being. | Economic Opportunity | Home construction involves sub-contractors in the 9-county geographic area HHC serves, creating economic opportunity through a variety of construction jobs. Homeowners also experience wealth building through the equity in their homes over time. |
|-----------------------------|---|------------------|---------------|------------|---|---------|--|-----------|--|---------------------|--|----------------------|--|
| Fahe Commitments | HHC Alignment | | | | | | | | | | | | |
| Leadership | HHC as a proven track record of development/renovation and sale of affordable housing in its multi-county service area. | | | | | | | | | | | | |
| Housing | HHC's main source of program revenue comes from the development and sale of affordable homes. Coupled counseling, HHC positions its product as a foundation for homeowners to access leadership, education, health & well-being, and economic opportunities. | | | | | | | | | | | | |
| Education | HHC partners with HUD and others to provide homeowners with pre-purchase counseling education. | | | | | | | | | | | | |
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| Economic Opportunity | Home construction involves sub-contractors in the 9-county geographic area HHC serves, creating economic opportunity through a variety of construction jobs. Homeowners also experience wealth building through the equity in their homes over time. | | | | | | | | | | | | |
| Summary: | <p>With steady revenues through its home construction , renovation and sales programs, along with mortgage lending, and limited debts, both short and long-term, and ample unrestricted cash available, by all accounts, HHC has a solid financial foundation.</p> <p>Looking ahead, HHC looks forward to taking full advantage of the training, partnership's and collaboration opportunities that come with membership in Fahe, which they see as a means to becoming a stronger, more influential organization within their service area.</p> | | | | | | | | | | | | |

| | | | | | | | | |
|---|--------|--------------|--------------|--|--------------|---------|--------------|---------|
| Prepared By: Dwayne Neeley | | | | FINANCIAL STATEMENT SPREAD SHEET | | | | |
| Date Spread: December 2023 | | | | | | | | |
| | | | | Southern Tier Housing Corp DBA Highlands Housing Corp | | | | |
| | | | | | | | | |
| Statement Type ==> | | FY20 Audit | FY21 Audit | % | FY 22 Audit | % | FY23 Audit | % |
| Year ==> | | 3/19 - 3/20 | 3/20 - 3/21 | Change | 3/21 - 3/22 | Change | 3/22 - 3/23 | Change |
| | | | | | | | | |
| Balance Sheet | | | | | | | | |
| Cash (Unrestricted) | | \$ 173,931 | \$ 535,873 | 208.1% | \$ 686,481 | 28.1% | \$ 702,978 | 2.4% |
| Cash (Restricted) | | | | | | | | |
| Construction In Process | | | | #DIV/0! | | #DIV/0! | | #DIV/0! |
| Other Current Assets | | \$ 433,365 | \$ 61,326 | -85.8% | \$ 72,964 | 19.0% | \$ 493,684 | 576.6% |
| Total Current Assets | | \$ 607,296 | \$ 597,199 | -1.7% | \$ 759,445 | 27.2% | \$ 1,196,662 | 57.6% |
| Investments | | | | #DIV/0! | \$ 3,202 | #DIV/0! | \$ 3,202 | 0.0% |
| Fixed Assets | | | | #DIV/0! | \$ 142,000 | #DIV/0! | \$ 142,000 | 0.0% |
| All other Assets | | \$ 739,319 | \$ 729,656 | -1.3% | \$ 885,443 | 21.4% | \$ 998,831 | 12.8% |
| Total Other Assets | | \$ 739,319 | \$ 729,656 | -1.3% | \$ 1,030,645 | 41.3% | \$ 1,144,033 | 11.0% |
| Total Assets * | | \$ 1,346,615 | \$ 1,326,855 | -1.5% | \$ 1,790,090 | 34.9% | \$ 2,340,695 | 30.8% |
| Accounts Payable | | \$ 58,550 | \$ 184,227 | 214.6% | \$ 19,152 | -89.6% | \$ 128,708 | 572.0% |
| Deferred Revenue | | | | #DIV/0! | | #DIV/0! | | #DIV/0! |
| Other Current Liabilities | | \$ 169,410 | \$ 92,662 | -45.3% | \$ 60,150 | -35.1% | \$ 95,733 | 59.2% |
| Total Current Liabilities | | \$ 227,960 | \$ 276,889 | 21.5% | \$ 79,302 | -71.4% | \$ 224,441 | 183.0% |
| Long Term Debt | | \$ 1,730,000 | \$ 1,392,863 | -19.5% | \$ 1,528,471 | 9.7% | \$ 1,531,152 | 0.2% |
| Total Liabilities | | \$ 1,957,960 | \$ 1,669,752 | -14.7% | \$ 1,607,773 | -3.7% | \$ 1,755,593 | 9.2% |
| Unrestricted Net Assets | | \$ (611,345) | \$ (590,557) | -3.4% | \$ (216,491) | -63.3% | \$ 199,407 | -192.1% |
| Temporarily Restricted Assets | | | \$ 247,660 | #DIV/0! | \$ 398,808 | 61.0% | \$ 385,695 | -3.3% |
| Permanently Restricted Net Assets | | | | #DIV/0! | | #DIV/0! | | #DIV/0! |
| Net Assets | | \$ (611,345) | \$ (342,897) | -43.9% | \$ 182,317 | -153.2% | \$ 585,102 | 220.9% |
| Total Liabilities + Net Assets | | \$ 1,346,615 | \$ 1,326,855 | -1.5% | \$ 1,790,090 | 34.9% | \$ 2,340,695 | 30.8% |
| | | | | | | | | |
| Income & Expense | | | | | | | | |
| Grant Revenue | | \$ 85,847 | \$ 133,926 | 56.0% | \$ 504,144 | 276.4% | \$ 281,903 | -44.1% |
| Earned Revenue | | \$ 2,201,447 | \$ 2,108,077 | -4.2% | \$ 1,951,634 | -7.4% | \$ 2,337,888 | 19.8% |
| Total Revenue | | \$ 2,287,294 | \$ 2,242,003 | -2.0% | \$ 2,455,778 | 9.5% | \$ 2,619,791 | 6.7% |
| Mgt., Gen & Fundraising | | \$ 53,088 | \$ 38,955 | -26.6% | \$ 51,452 | 32.1% | \$ 54,585 | 6.1% |
| All other Operating Expense | | | | #DIV/0! | | #DIV/0! | | #DIV/0! |
| Program Expense | | \$ 2,305,763 | \$ 2,182,260 | -5.4% | \$ 2,030,260 | -7.0% | \$ 2,149,308 | 5.9% |
| Total Expense | | \$ 2,358,851 | \$ 2,221,215 | -5.8% | \$ 2,081,712 | -6.3% | \$ 2,203,893 | 5.9% |
| | | | | #DIV/0! | | #DIV/0! | | #DIV/0! |
| | | | | #DIV/0! | | #DIV/0! | | #DIV/0! |
| Change in Net Assets | | \$ (71,557) | \$ 20,788 | -129.1% | \$ 374,066 | 1699.4% | \$ 415,898 | 11.2% |
| Total Change in Net Assets | | \$ (27,365) | \$ 60,368 | -320.6% | \$ 409,299 | 578.0% | \$ 453,817 | 10.9% |
| Interest Expense | | \$ 44,192 | \$ 39,580 | -10.4% | \$ 35,233 | -11.0% | \$ 37,919 | 7.6% |
| Depreciation Expense | | | | #DIV/0! | | #DIV/0! | | #DIV/0! |
| | | | | | | | | |
| Ratio Calculations | | | | | | | | |
| SHORT TERM SOLVENCY | | | | | | | | |
| Current Ratio (CA/CL) | >=1.25 | 2.66 | 2.16 | | 9.58 | | 5.33 | |
| Quick Ratio (Cash+Securities/CL) | >0.15 | 0.76 | 1.94 | | 8.66 | | 3.13 | |
| Cash to Working Capital (Cash/(CA-CL) | >=.50 | 0.46 | 1.67 | | 1.01 | | 0.72 | |
| Fixed Asset Mix (FA/TA) | <=.86 | - | - | | 0.08 | | 0.06 | |
| Fixed Assets to Net Assets (FA/NA) | <=.66 | - | - | | 0.78 | | 0.24 | |
| Net Asset Ratio (NA/TA) | >=.20 | (0.45) | (0.26) | | 0.10 | | 0.25 | |
| Operating Liquidity (URCash/(Op. Exp/12)) * | > 3 | 39.32 | 165.07 | | 160.11 | | 154.54 | |
| Operating Liquidity (Cash/(Total Exp/12) | >3 | 0.88 | 2.90 | | 3.96 | | 3.83 | |
| AP Turns (AP)/(Rev./365) | <30 | 9.34 | 29.99 | | 2.85 | | 17.93 | |
| | | | | | | | | |
| LONG TERM SOLVENCY | | | | | | | | |
| Current to Non-Current Liabilities (CL/LTD) | <=.50 | 0.13 | 0.20 | | 0.05 | | 0.15 | |
| Current to Total Liabilities (CL/TL) | <=.33 | 0.12 | 0.17 | | 0.05 | | | |

**Attachment 2
HHC 3- Year Strategic Plan 2023-2025**

3-Year Strategic Plan Fiscal Years 2023-2025

Highlands Housing Corporation Mission Statement:

Highlands Housing Corporation develops high-quality, energy-efficient housing and provides equitable financing in southern and eastern Kentucky. Highlands Housing Corporation's primary work being in Bell, Clinton, Cumberland, Laurel, McCreary, Pulaski, Rockcastle, Wayne, and Whitley counties of Kentucky.

1. Production Goals

FY 2023 (year ending March 31, 2023) Production Targets

- ***18 Turn-Key Homes constructed o Financed with 502 Direct Mortgages***
 - o ***Combination of HOME and AHTF funding***
 - o ***Combination of CHDO Proceeds and AHTF Proceeds funding***
- ***5 Owner-occupied rehab projects with 504 loan/grants and AHTF funding***
- ***36 unit Cumberland Horizon Village – Finish construction and rent up***
- ***22 Tenant-based rental assistance units supported***

2. Our goals are simple: continue building staff capacity to manage and execute our basic mission for affordable housing, identify and communicate effectively with our customer base in the whole service area, and continue Veteran outreach for housing.

3. Develop and expand secondary market lending utilizing relationships with FAHE and others to reach a higher income client in the future.

FY 2024 (year ending March 31, 2024) Production Targets

- ***20 Turn-Key Homes constructed o Financed with 502 Direct Mortgages***
 - o ***Combination of HOME and AHTF funding***
 - o ***Combination of CHDO Proceeds and AHTF Proceeds funding***
- ***5 Owner-occupied rehab projects with 504 loan/grants and AHTF funding***
- ***22 Tenant-based rental assistance units supported***

FY 2025 (year ending March 31, 2025) Production Targets

- ***25 Turn-Key Homes constructed***
 - o ***Financed with 502 Direct Mortgages***
 - o ***Combination of HOME and AHTF funding***
 - o ***Combination of CHDO Proceeds and AHTF Proceeds funding***
- ***5 Owner-occupied rehab projects with 504 loans/grants and AHTF funding***
- ***22 Tenant-based rental assistance units supported***



Memo

To: Fahe Members

From: Jim King, CEO

Sara Morgan, President

Re: Executive report

Date: January 30, 2024

This is the first six months for FY2024 report on the organization from President Sara Morgan and CEO Jim King. Our vision is for Appalachia to be a place of growth, opportunity, and hope so that all people fulfill their potential and have a high quality of life. A vision that will take a generation of work. Our job over the next 10 years is to build the foundation capable of meeting that vision. All foundations have corners, necessary to building structures that will last. Our corners of Money, Capacity, Narrative and People also serve as the frame to our next strategic plan. We are organizing working groups of the Members around each of the corners to give greater clarity and direction to the strategic plan so that Members and their communities are at the center.

Money. Engage funders to bring significant new and increased investments to the region while also analyzing and advocating for policy reform to support the flow of more, place-sensitive resources to benefit Appalachia.

- Fahe joined several applications as part of the Inflation Reduction Act's Greenhouse Gas Reduction Fund.
- Fahe was selected via RFP from Kentucky Housing Corporation to serve as the Regional Implementation Agency for the Community Development Block Grant Disaster Recovery FY2022 Funding of \$298 million coming from HUD to the state in response to the East KY Flooding of 2022. We are working with the KY Governor's office on an administrative contract to manage both the High Ground Communities and the Team KY dollars for the Commonwealth.
- Under the leadership of Fahe's SVP of Advocacy, Maggie Ridden and SVP of Membership Vonda Poynter, Fahe's TN coalition is being awarded \$10M in ARPA funding to support the development of workforce housing which is much needed in the state. Building on these successes, staff will expand their efforts in the future to the states of Virginia, West Virginia and Alabama.
- With PRT we have been making progress with the Heron Foundation to create a plan to get significant philanthropic resources in the tens of millions to Appalachia and other persistently poor regions over the next several years.

Expanding Capacity. Expand capacity to meet the growing needs in our communities.

- Fahe's 2023 Annual Meeting was held with great attendance from members, USDA, State Housing Finance Agencies, ARC, etc. Sessions highlighted members responding to leaders such as Luke Shaefer.

- We launched working groups around each of the four corners identified in the 2024-2028 strategic plan and Members self-selected to participate in these working groups advising on the implementation direction.
- There is a real vacuum of leadership in the community development field on appropriations strategy. Fahe's advocacy team has begun engaging and pushing on national coalitions and groups to not only address the near term of "regular order" appropriations work, but to think longer term to the end of the year and work towards that goal.
- The Kentucky Caucus has formed solid working relationships with several major state nonprofit players, including the Louisville Urban League, KY Habitat for Humanity, and the KY Affordable Housing Coalition. Centering rural issues within this coalition is a work in progress, but LUL and KY Habitat lent their active support to the Rural Housing Trust Fund effort in the 2023 session.
- The AL Caucus continues to maintain a working relationship with LIHCA to uplift the HTF.
- Members of the VA Caucus are exploring collaborating with organizations like the SELC and VPLC to respond to (with litigation) the Younkin administration pulling out of RGGI and eliminating a substantial funding source for weatherization and residential energy work.
- Tennessee Members had Rep. Rose join their Making Housing Work for Working Families Event.
- In West Virginia, we have engaged with the WV Center for Budget and Policy, namely Seth Distefano, their main legislative person who expressed that he is glad someone is working on affordable housing issues in WV because there isn't much of a presence there.

Building a New Narrative. Work to achieve a collective brand and voice capable of building a new narrative that uplifts the culture, worth, and importance of Appalachia to the country's overall success.

- The Fahe Membership has an authentic community presence and that does allow the opportunity to elevate the voices of community.
- During the 1st six months we utilized a number of meetings and presentations to push the Fahe brand, as a leading voice on Appalachia, Strength in Numbers as a replicable approach, persistent poverty and leading change.
- We released the Housing Needs in Appalachia Study in July with a webinar. Met with Alanna McCargo of Ginnie Mae. Presented with the National Association of Business Economists.
- We continue to build on the Concrete solutions conversations, receiving commitments from USDA and the Heron Foundation to work on a Theory of Change that elevates our voices of experience to solutions. And we started the conversation to add academics, Luke Shafer and Katharine Edin to this group.

Strength in Numbers. Invest time and energy in trusted relationships across the region, growing our Strength in Numbers to create transformational impact that builds Thriving Appalachian Communities. We have long said that our identity is "Strength in Numbers". You have heard us repeat "if you want to go fast, go alone. If you want to go far, to do something big, go with friends."

Staff have worked hard on state level advocacy and coalition building. Our success in TN was driven by forming a coalition of over 100 organizations. In KY around flood relief work and some statewide work, our organizing did result in an increase of \$20 million in the Trust fund and dedicated resources for flood work.

The Annual meeting was a success, we had over 80% members present for the event. Chrystel Cornelius from Oweesta got us started with inspiring words that helped members see the connection to another part of the country. Luke Shafer enlightened and validated our understanding of deeply disadvantaged places of which Appalachia is one. We were able to highlight the work and thought leadership of the members in response to these speakers and showcase how the Strategic plan frames our work together.

Fahe in partnership with PRT has developed a Rural Equity Framework for which we have identified a set of principles and practices that inform our work: **Framework** harnesses the insights from ongoing analysis of what is possible to influence an important body of work that is DIFFERENT than what anyone else has done before because it builds on a shared understanding of the interrelatedness of racial, spatial, and economic inequities in places of deep poverty.

We believe policy makers, investors and philanthropists will benefit from the Framework as they consider how to make a greater difference in rural persistent poverty areas.

The last part of the Annual meeting with USDA, Luke Shaefer, Christie Cade, (policy makers, investors, philanthropists, academia and practitioners) was to conclude the event and direct us to a next step, to have Fahe host a conveying on the Framework.

As we head into the second half of FY2024, we will have strong strategic plan, backed by a well thought out Theory of Change. Our momentum is strong and we are feeling confident in our ability to make good progress on the goals and vision before us. By working together, we have before us the ability to change the narrative for Appalachia and the people and places that are affected by persistent poverty.

FAHE Caucus

FHLB CINCINNATI HCI PROGRAM UPDATES

Affordable Housing Program (AHP)

- Applications to the FHLB's AHP General Fund will be accepted from May 1 through July 1
- Increased the maximum AHP subsidy per project that can be requested from \$1,000,000 to \$1,500,000
- Increased the maximum amount of subsidy per unit that a project may receive from \$55,000 to \$56,000 and the amount of subsidy per bed or owner-occupied rehab unit from \$16,000 to \$17,000
- Ownership projects are no longer required to fund 25 percent of project costs with funds besides AHP funds
- AHP Workshops / Ownership Disbursement Trainings:
 - **April 5th, 2024** in Nashville, TN
 - **April 11th, 2024** in Columbus, OH
 - **April 19th, 2024** in Louisville, KY

Carol M. Peterson Housing Fund (CMPHF)

- Program opened on February 1, 2024 and will close on December 16, 2024
- The maximum grant per household increased to \$20,000
- Established a minimum grant amount per household of \$5,000
- Established a \$200,000 maximum subsidy per project

Disaster Reconstruction Program (DRP)

- Provides grants up to \$20,000 for homeowners and renters who suffered a loss due to a federal- or state-declared disaster
- Program is continuously ongoing and funds are secured on a first-come, first-served basis
- Currently 13 eligible counties in KY dating back to July 30th, 2022
- Full list of eligible counties is available on our website www.fhlbcin.com
- Eligible households must requesting funding within 2 years of the date of the disaster declaration

Welcome Home Program

- Program will open on March 1, 2024, and will close on December 16, 2024
- The per-household maximum for honorably discharged veterans, reservists, United States National Guard, and active military homebuyers or surviving spouses has increased from \$15,000 to \$25,000, and the maximum for all other households has increased from \$10,000 to \$20,000

Miscellaneous Information

- Periodic Progress Reports (PPRs) went out on February 1 and were due February 10
- Position available for a Housing Financial Analyst – apply on our website www.fhlbcin.com
- Please keep us in mind for any groundbreaking, ribbon cuttings, dedications, etc. you may have
- Please let us know about any conferences, meetings, etc. where the attendees may be interested in our products

HCI Resources

Information on all programs offered, as well as manuals, forms, and recorded webinars, can be found on the FHLB website at www.fhlbcin.com/housing-programs/.

Contact FHLB directly using one of the following:

- **Welcomehome@fhlbcin.com** for welcome home and Subsidy payoff questions
- **AHPApplication@fhlbcin.com** for application questions (the AHP online application also communicates from this address)
- **AHPDisbursement@fhlbcin.com** for disbursement questions
- **AHPmonitoring@fhlbcin.com** for compliance questions
- Contact Cassandra Larcarte at **larcartecl@fhlbcin.com**, or Connor Creaghead at **creagheadcb@fhlbcin.com** if an organization in which you are involved would like group training on any of the HCI programs



FAHE Progress Update

April 2023 - Original

January 2024 – Final Update

Jackie Strager, West Virginia University

Project Description

- Housing Metrics for Central Appalachia, Appalachian Alabama
- Exploratory spatial data analysis for Census tracts
- Issue: Census socio-economic variable estimates (from ACS) are not reliable for non-urban tracts
- **Goal: Group census tracts together based on shared housing-related characteristics**
- **Result: Census tract-based clusters (by state) for further analysis**
- Approach:
 - Develop tract-based socio-economic variables (ACS, GIS)
 - Use spatially constrained multivariate clustering to group tracts of interest
 - Present final results as maps, tables

Clustering work

- Main task: Clustering/grouping census tracts
- Approach: **Spatially constrained multivariate clustering** (ArcGIS Pro)
- Details:
 - **Spatially constrained**: Location matters (clusters will be contiguous)
 - **Multivariate**: Groups tracts based on values for selected variables
 - All variables for clustering must be numeric or (0,1)
 - 35 different variables quantified for each tract (10 used in final clustering)
 - Variables are normalized

Tract Variables

N=35 variables considered

Variables quantified for each tract

Data sources:

American Community Survey, GIS analysis

Highlighted variables (n=10) used for final clustering (not dependent on tract size/population, not highly correlated with one another)

| | |
|------------|---|
| HH | total households |
| POP25 | population over age 25 |
| HUNITS | total housing units |
| OCCU | occupied housing units |
| OWNU | owner occupied housing units |
| RENTU | renter occupied housing units |
| HHINC | median household income |
| HHINC_O | median household income, owners |
| HHINC_R | median household income, renters |
| MEDDOL | median dollars (value) |
| MEDGRO | median (dollars) gross rent |
| MEDM | median (dollars) with mortgage |
| MEDNOM | median (dollars) without mortgage |
| WITHM30 | 30.0 to 34.9 percent_WithM |
| WITHM35 | 35.0 percent or more_WithM |
| PCBM | % Cost Burden Owner with a mortgage |
| PCB30 | 30.0 to 34.9 percent_Rent |
| PCB35 | 35.0 percent or more_Rent |
| PCBR | % Cost Burden Renter |
| NLCD_PFOR | Percent (0-100) forested in tract, from 2019 NLCD forested land cover categories |
| NLCD_PDEV | Percent (0-100) developed in tract, from 2019 NLCD developed land cover categories |
| NLCD_PWAT | Percent (0-100) water in tract, from 2019 NLCD category 11 open water only |
| UA_PERC | Percent (0-100) urbanized area in tract, from 2010 Census urbanized areas |
| ACSPop_19 | Estimated population in tract, 2019 ACS 5-year estimates |
| AreaSqMi | Area of tract in square miles (calculated by GIS) |
| PopDen_19 | Estimated population density (2019 population divided by area in sq miles) |
| Q75_UA | 0 or 1. Is tract over 75 th percentile in urbanized area relative to other tracts |
| Q75_NLCDDE | 0 or 1. Is tract over 75 th percentile in developed area relative to other tracts |
| Q75_PopDen | 0 or 1. Is tract over 75 th percentile in population density relative to other tracts |
| PUBLIC_PCT | Percent (0-100) public land in the tract as defined by US CBI |
| COMMUTERS | number of commuters (ACS journey to work data 2014-2019) |
| PCT_COMM90 | percent of commuters traveling over 90 minutes to work (ACS 2014-2019) |
| PCT_COMM60 | percent of commuters traveling over 60 minutes to work (ACS 2014-2019) |
| PCT_HHRENT | percent of households renting (calculated by WVU for tracts with data) based on households renting divided by total occupied households |
| PCT_HHOCC | percent of households occupied (calculated by WVU for tracts with data), based on total occupied households divided by total households |

Variable correlation results

- Simple correlation matrix calculated for all potential variables
- Eliminated variables with high correlation from clustering

| | HHINC | HHINC_O | HHINC_R | MEDDOL | MEDGRO | MEDM | MedNoM | PCBM | PCBR | NLCD_PFOR | NLCD_PDEV | NLCD_PWAT | UA_PERC | PopDen_19 | PUBLIC_PCT | PCT_COMM60 | PCT_HHRENT | PCT_HHOCC |
|------------|-------|---------|---------|--------|--------|-------|--------|-------|-------|-----------|-----------|-----------|---------|-----------|------------|------------|------------|-----------|
| HHINC | 1.00 | | | | | | | | | | | | | | | | | |
| HHINC_O | 0.87 | 1.00 | | | | | | | | | | | | | | | | |
| HHINC_R | 0.68 | 0.48 | 1.00 | | | | | | | | | | | | | | | |
| MEDDOL | 0.51 | 0.54 | 0.39 | 1.00 | | | | | | | | | | | | | | |
| MEDGRO | 0.34 | 0.26 | 0.40 | 0.30 | 1.00 | | | | | | | | | | | | | |
| MEDM | 0.36 | 0.42 | 0.24 | 0.58 | 0.20 | 1.00 | | | | | | | | | | | | |
| MedNoM | 0.23 | 0.36 | 0.14 | 0.40 | 0.21 | 0.43 | 1.00 | | | | | | | | | | | |
| PCBM | -0.27 | -0.31 | -0.17 | -0.18 | -0.06 | -0.03 | -0.06 | 1.00 | | | | | | | | | | |
| PCBR | -0.28 | -0.17 | -0.51 | -0.25 | 0.03 | -0.15 | -0.05 | 0.12 | 1.00 | | | | | | | | | |
| NLCD_PFOR | -0.21 | -0.33 | -0.20 | -0.38 | -0.14 | -0.23 | -0.31 | 0.18 | 0.11 | 1.00 | | | | | | | | |
| NLCD_PDEV | -0.02 | 0.18 | 0.03 | 0.17 | 0.14 | 0.07 | 0.33 | -0.07 | 0.04 | -0.56 | 1.00 | | | | | | | |
| NLCD_PWAT | 0.12 | 0.13 | 0.08 | 0.17 | 0.05 | 0.14 | 0.13 | -0.06 | -0.07 | -0.25 | 0.11 | 1.00 | | | | | | |
| UA_PERC | -0.03 | 0.14 | 0.02 | 0.10 | 0.12 | 0.01 | 0.32 | -0.06 | 0.05 | -0.47 | 0.94 | 0.10 | 1.00 | | | | | |
| PopDen_19 | -0.01 | 0.18 | 0.01 | 0.16 | 0.12 | 0.06 | 0.29 | -0.04 | 0.04 | -0.45 | 0.92 | 0.07 | 0.87 | 1.00 | | | | |
| PUBLIC_PCT | 0.10 | 0.06 | 0.08 | 0.14 | -0.06 | 0.00 | -0.08 | 0.03 | -0.08 | 0.27 | -0.14 | 0.10 | -0.09 | -0.10 | 1.00 | | | |
| PCT_COMM60 | -0.10 | -0.18 | -0.06 | -0.13 | -0.10 | -0.16 | -0.14 | 0.01 | -0.09 | 0.28 | -0.29 | -0.07 | -0.24 | -0.22 | -0.02 | 1.00 | | |
| PCT_HHRENT | -0.33 | 0.03 | -0.23 | -0.02 | -0.07 | 0.02 | 0.27 | -0.03 | 0.12 | -0.28 | 0.50 | -0.01 | 0.47 | 0.48 | -0.13 | -0.24 | 1.00 | |
| PCT_HHOCC | -0.06 | 0.04 | -0.06 | -0.06 | 0.08 | 0.08 | 0.12 | -0.01 | 0.04 | -0.17 | 0.10 | -0.20 | 0.00 | 0.06 | -0.25 | -0.03 | 0.15 | 1.00 |

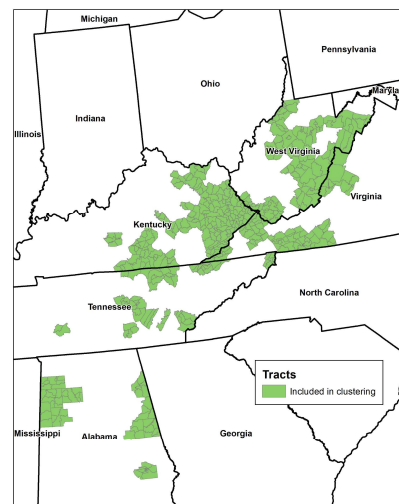
Highest correlations:

- Household income and household income owner occupied (use household income only)
- Population density, urban area %, NLCD developed area % (use population density only)

Study area: Tracts for clustering

- For ARC counties in 5 states
- Excluded tracts within metropolitan statistical areas or micropolitan statistical areas
- Clustering performed by state

| State | # Tracts (total in ARC) | # Tracts included | # Contiguous Groups of Tracts |
|---------------|-------------------------|-------------------|-------------------------------|
| Alabama | 728 | 64 | 3 |
| Kentucky | 318 | 170 | 3 |
| Tennessee | 646 | 59 | 7 |
| Virginia | 185 | 76 | 3 |
| West Virginia | 484 | 100 | 2 |

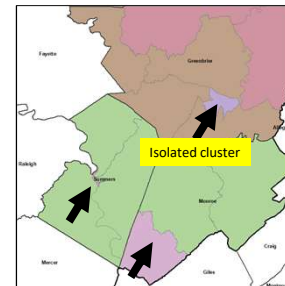


Clustering methods: Spatially constrained multivariate clustering

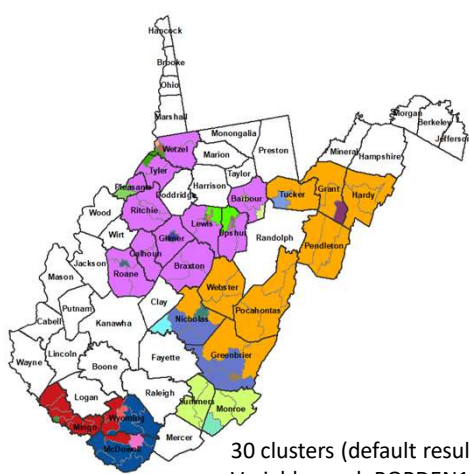
- Clustering model iterations – by state
 1. Perform clustering with single variable ($n=10$) at a time, examine R^2 values
 2. Perform clustering with two variables (variables w/highest R^2 values)
 3. Perform clustering with three variables (highest R^2 values)
 4. Evaluate cluster results using R^2 values (variable contribution) and F-statistic graphs (optimal # of clusters)
 5. For each state, determine best single cluster model = final clusters
 6. Note: Most runs end up with default $n=30$ clusters
- For final clusters – adjustments:
 - Eliminate single-tract (isolated) clusters by merging with adjacent clusters
 - See guidelines (next slide)

Final cluster adjustment (merge)

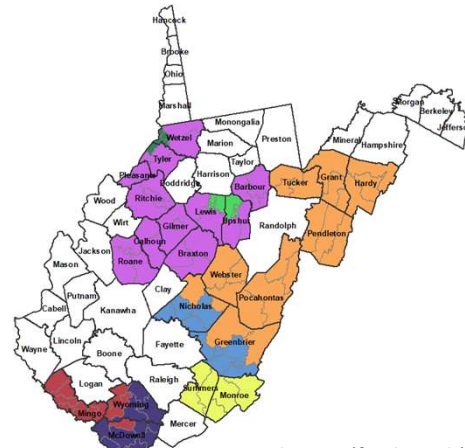
- Goal: Eliminate single-tract (isolated) clusters
- Guidelines:
 - Use of ancillary data layers: CDPs, census incorporated places, census primary/secondary routes
 - Is isolated cluster surrounded by another larger cluster? If so, merge
 - Is isolated cluster located along a primary/secondary highway? If so, merge with adjacent cluster on the same route
 - Is isolated cluster adjacent to a mapped CDP or census place? If so, merge with cluster adjacent to the same mapped place
 - If none of the above applies, merge isolated cluster with adjacent cluster with longest shared border
 - Did not take into account cluster geographic size or population (but could!)



Cluster results: WV (before and after merge)



30 clusters (default result)
Variable used: POPDEN19
R2 = 0.999



8 clusters (final result)
after merging to eliminate
isolated clusters (single tract)

Cluster results: AL

Final model for clustering:

POPDEN19 ($r^2 = .906$)

PUBLICPCT ($r^2 = .917$)

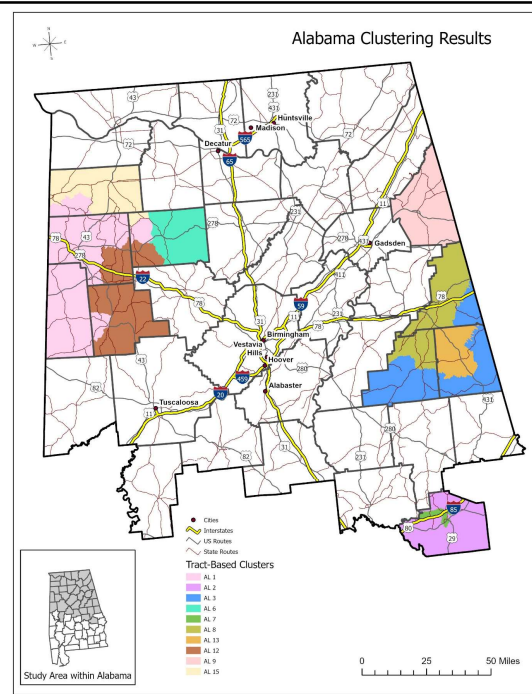
PCTCOMM60 ($r^2 = .767$)

PCTHHOCC ($r^2 = .829$)

Final # original clusters: 17

Final # clusters after merging: 10

Smallest cluster (by # tracts) (Randolph County) has n=2 tracts



Cluster results: AL

Final model for clustering:

POPDEN19 ($r^2 = .906$)

PUBLICPCT ($r^2 = .917$)

PCTCOMM60 ($r^2 = .767$)

PCTHHOCC ($r^2 = .829$)

Final # original clusters: 17

Final # clusters after merging: 10

| Cluster | Tracts (N) | Households (N) | Housing Units (N) | ACS Population 2019 (Estimate) | Total Area (mi ²) |
|---------|------------|----------------|-------------------|--------------------------------|-------------------------------|
| AL 1 | 12 | 18,933 | 23,593 | 45,980 | 1413.74 |
| AL 2 | 7 | 5,216 | 6,500 | 11,541 | 571.81 |
| AL 3 | 8 | 10,628 | 13,266 | 27,487 | 833.05 |
| AL 6 | 4 | 5,537 | 8,607 | 13,440 | 430.92 |
| AL 7 | 5 | 2,258 | 3,796 | 7,167 | 41.40 |
| AL 8 | 4 | 5,947 | 7,413 | 15,984 | 645.28 |
| AL 9 | 6 | 10,737 | 16,579 | 25,903 | 599.98 |
| AL 12 | 7 | 8,819 | 10,985 | 22,037 | 843.81 |
| AL 13 | 2 | 3,005 | 5,061 | 7,429 | 272.82 |
| AL 15 | 9 | 12,006 | 15,181 | 34,038 | 568.31 |

Smallest cluster (by # tracts) (Randolph County) has n=2 tracts

Final Clusters

Cluster results: KY

Final model for clustering:

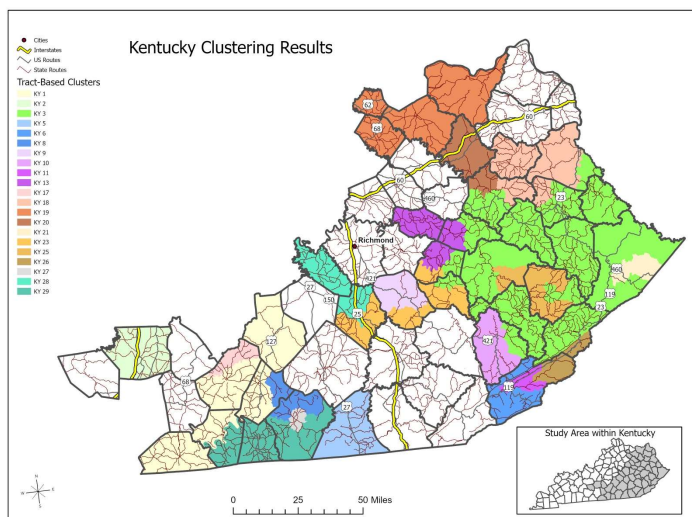
POPDEN19 ($r^2 = .967$)

PUBLICPCT ($r^2 = .951$)

Final # original clusters: 30

Final # clusters after merging: 21

Several clusters with only 2 tracts



Final Clusters

Cluster results: KY

Final model for clustering:

POPDEN19 ($r^2 = .967$)

PUBLICPCT ($r^2 = .951$)

Final # original clusters: 30

Final # clusters after merging: 21

Several clusters with only 2 tracts

| Cluster | Tracts (N) | Households (N) | Housing Units (N) | ACS Population 2019 (Estimate) | Total Area (mi2) |
|---------|------------|----------------|-------------------|--------------------------------|------------------|
| KY 1 | 19 | 23,335 | 29,269 | 60,393 | 1,436.82 |
| KY 2 | 5 | 7,351 | 9,077 | 18,729 | 417.85 |
| KY 3 | 69 | 89,645 | 108,621 | 219,695 | 3,492.12 |
| KY 5 | 4 | 6,052 | 7,523 | 17,465 | 430.95 |
| KY 6 | 4 | 4,245 | 5,296 | 10,246 | 257.37 |
| KY 8 | 2 | 3,285 | 5,920 | 7,908 | 222.39 |
| KY 9 | 2 | 3,322 | 4,170 | 8,261 | 236.85 |
| KY 10 | 2 | 2,968 | 4,004 | 7,637 | 321.41 |
| KY 11 | 4 | 4,330 | 4,982 | 10,628 | 88.21 |
| KY 13 | 4 | 8,080 | 9,870 | 20,498 | 369.65 |
| KY 17 | 2 | 1,394 | 1,778 | 3,610 | 113.89 |
| KY 18 | 8 | 9,395 | 12,185 | 25,427 | 758.21 |
| KY 19 | 11 | 14,774 | 17,646 | 37,206 | 1,143.63 |
| KY 20 | 5 | 9,352 | 11,311 | 26,286 | 374.94 |
| KY 21 | 2 | 3,199 | 3,958 | 7,116 | 133.21 |
| KY 23 | 5 | 6,116 | 7,190 | 15,201 | 514.81 |
| KY 25 | 4 | 4,647 | 5,427 | 10,932 | 348.55 |
| KY 26 | 4 | 3,007 | 3,970 | 6,807 | 173.07 |
| KY 27 | 2 | 3,940 | 4,806 | 9,407 | 43.31 |
| KY 28 | 6 | 10,700 | 12,429 | 27,574 | 358.49 |
| KY 29 | 6 | 7,367 | 9,672 | 19,630 | 657.15 |

Final Clusters

Cluster results: TN

Final model for clustering:

POPDEN19 ($r^2 = .952$)

PUBLICPCT ($r^2 = .880$)

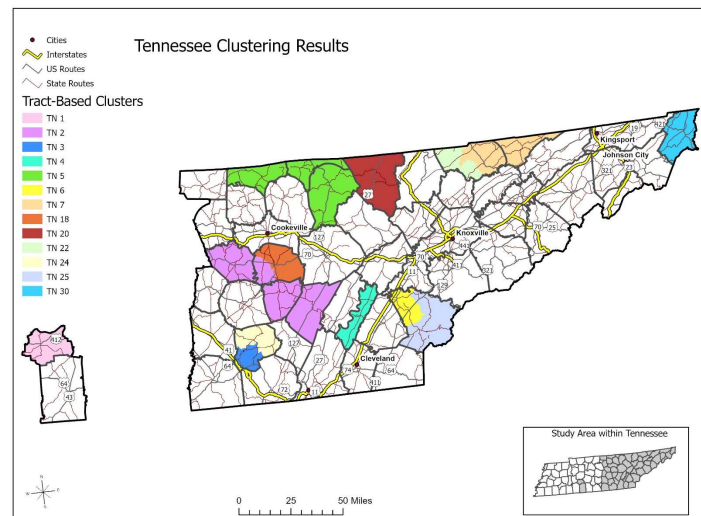
HHINC ($r^2 = .844$)

PCTHHOCC ($r^2 = .797$)

Final # original clusters: 30

Final # clusters after merging: 13

Several clusters with only 2 tracts



Final Clusters

Cluster results: TN

Final model for clustering:

POPDEN19 ($r^2 = .952$)

PUBLICPCT ($r^2 = .880$)

HHINC ($r^2 = .844$)

PCTHOCOC ($r^2 = .797$)

Final # original clusters: 30

Final # clusters after merging: 13

Several clusters with only 2 tracts

| Cluster | Tracts (N) | Households (N) | Housing Units (N) | ACS Population 2019 (Estimate) | Total Area (mi2) |
|---------|------------|----------------|-------------------|--------------------------------|------------------|
| TN 1 | 2 | 4,715 | 5,548 | 12,027 | 282.49 |
| TN 2 | 11 | 17,695 | 21,596 | 48,085 | 1,118.31 |
| TN 3 | 2 | 2,475 | 3,331 | 6,294 | 129.73 |
| TN 4 | 3 | 4,938 | 5,888 | 12,104 | 216.75 |
| TN 5 | 7 | 12,763 | 16,893 | 30,946 | 932.77 |
| TN 6 | 4 | 11,301 | 12,993 | 29,391 | 178.20 |
| TN 7 | 8 | 12,588 | 14,945 | 30,401 | 471.14 |
| TN 18 | 4 | 7,092 | 8,382 | 19,158 | 271.38 |
| TN 20 | 5 | 8,664 | 10,018 | 21,969 | 533.23 |
| TN 22 | 3 | 3,435 | 4,097 | 7,918 | 193.91 |
| TN 24 | 2 | 2,345 | 3,129 | 7,050 | 231.40 |
| TN 25 | 3 | 6,686 | 8,242 | 16,673 | 474.39 |
| TN 30 | 5 | 6,794 | 9,002 | 17,753 | 302.69 |

Final Clusters

Cluster results: VA

Final model for clustering:

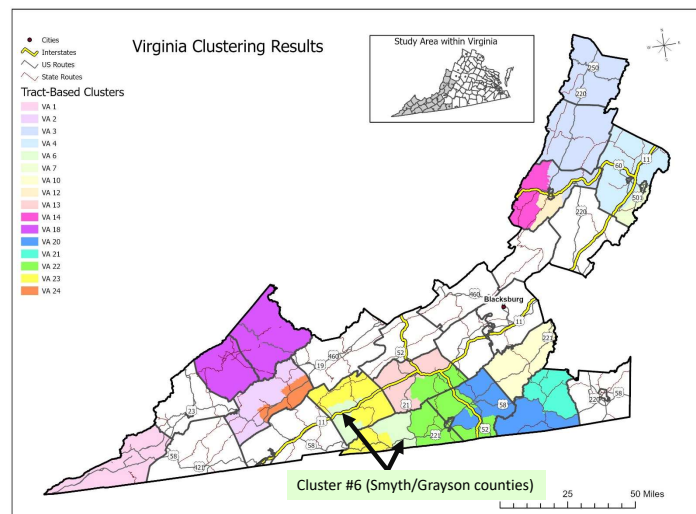
POPDEN19 ($r^2 = .994$)

MEDDOL ($r^2 = .975$)

Final # original clusters: 30

Final # clusters after merging: 16

Several clusters with only 2 tracts



Final Clusters

Cluster results: VA

Final model for clustering:

POPDEN19 ($r^2 = .994$)

MEDDOL ($r^2 = .975$)

Final # original clusters: 30

Final # clusters after merging: 16

Several clusters with only 2 tracts

| Cluster | Tracts (N) | Households (N) | Housing Units (N) | ACS Population 2019 (Estimate) | Total Area (mi ²) |
|---------|------------|----------------|-------------------|--------------------------------|-------------------------------|
| VA 1 | 6 | 9,149 | 11,798 | 23,948 | 437.27 |
| VA 2 | 5 | 7,579 | 9,703 | 18,584 | 350.06 |
| VA 3 | 6 | 8,373 | 12,131 | 19,233 | 1,104.67 |
| VA 4 | 4 | 9,767 | 11,901 | 25,717 | 518.82 |
| VA 6 | 5 | 7,599 | 9,405 | 18,156 | 264.23 |
| VA 7 | 2 | 4,156 | 4,853 | 10,578 | 90.19 |
| VA 10 | 3 | 6,493 | 8,048 | 15,704 | 381.77 |
| VA 12 | 2 | 2,169 | 2,586 | 4,910 | 88.42 |
| VA 13 | 4 | 8,427 | 9,956 | 19,703 | 309.81 |
| VA 14 | 2 | 1,321 | 1,692 | 3,123 | 212.78 |
| VA 18 | 11 | 14,347 | 19,156 | 36,544 | 837.51 |
| VA 20 | 5 | 9,673 | 13,168 | 23,016 | 512.53 |
| VA 21 | 2 | 3,920 | 5,051 | 9,029 | 241.54 |
| VA 22 | 11 | 16,978 | 22,280 | 42,105 | 562.43 |
| VA 23 | 6 | 7,345 | 9,452 | 17,410 | 444.13 |
| VA 24 | 2 | 3,233 | 3,844 | 8,557 | 126.38 |

Final Clusters

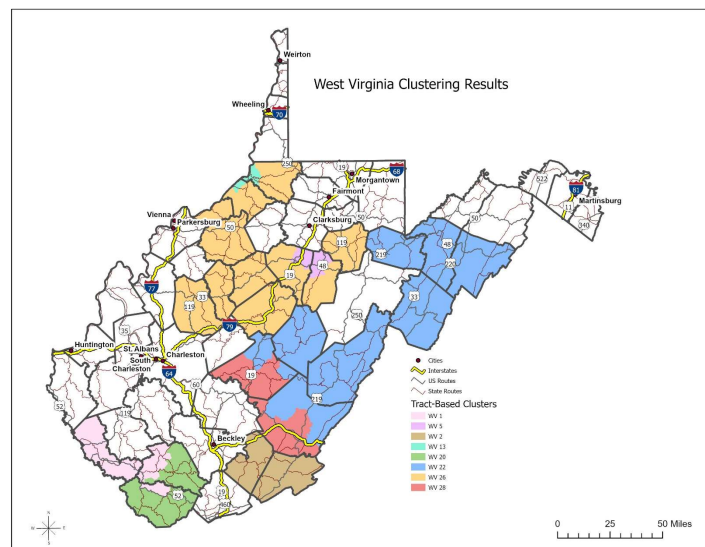
Cluster results: WV

Final model for clustering:

POPDEN19 ($r^2 = .999$)

Final # original clusters: 30

Final # clusters after merging: 8



Final Clusters

Cluster results: WV

Final model for clustering:
POPDEN19 ($r^2 = .999$)

Final # original clusters: 30

Final # clusters after merging: 8

| Cluster | Tracts (N) | Households (N) | Housing Units (N) | ACS Population 2019 (Estimate) | Total Area (mi ²) |
|---------|------------|----------------|-------------------|--------------------------------|-------------------------------|
| WV 1 | 11 | 15,683 | 19,297 | 36,612 | 658.03 |
| WV 2 | 7 | 11,284 | 15,346 | 26,249 | 841.37 |
| WV 5 | 7 | 9,641 | 11,173 | 24,513 | 170.75 |
| WV 13 | 4 | 4,709 | 5,965 | 12,591 | 68.87 |
| WV 20 | 10 | 11,230 | 15,683 | 27,620 | 802.66 |
| WV 22 | 23 | 29,463 | 48,061 | 70,173 | 4,453.56 |
| WV 26 | 28 | 40,713 | 55,055 | 105,316 | 3,678.66 |
| WV 28 | 10 | 19,702 | 24,280 | 46,300 | 907.41 |

Final Clusters

Results/Deliverables

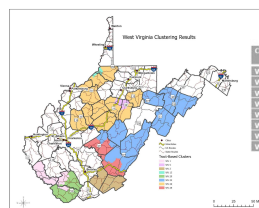
- Deliverables
 - Final Technical Report
 - Appendices (Excel)
 1. All tract data - housing
 2. All tract data - GIS
 - Figures (maps, as PDF)
 - Zip archive
- For each state:
 - Map of cluster results
 - Cluster summary table



Final report

| County | Population | Households | Housing Units | ACS Population 2019 (Estimate) | Total Area (mi ²) |
|-----------|------------|------------|---------------|--------------------------------|-------------------------------|
| Adair | 1,111 | 1,111 | 1,111 | 1,111 | 1,111 |
| Albany | 1,111 | 1,111 | 1,111 | 1,111 | 1,111 |
| Alford | 1,111 | 1,111 | 1,111 | 1,111 | 1,111 |
| Altoona | 1,111 | 1,111 | 1,111 | 1,111 | 1,111 |
| Ashtabula | 1,111 | 1,111 | 1,111 | 1,111 | 1,111 |
| Ashland | 1,111 | 1,111 | 1,111 | 1,111 | 1,111 |
| Ashland | 1,111 | 1,111 | 1,111 | 1,111 | 1,111 |
| Ashland | 1,111 | 1,111 | 1,111 | 1,111 | 1,111 |
| Ashland | 1,111 | 1,111 | 1,111 | 1,111 | 1,111 |
| Ashland | 1,111 | 1,111 | 1,111 | 1,111 | 1,111 |

Sample appendix



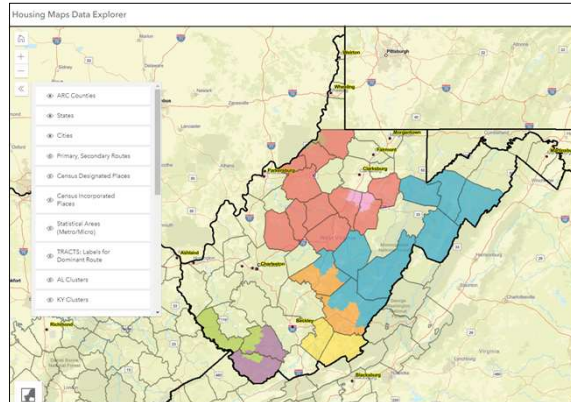
Cluster result map for WV

| Cluster | Tracts (N) | Households (N) | Housing Units (N) | ACS Population 2019 (Estimate) | Total Area (mi ²) |
|---------|------------|----------------|-------------------|--------------------------------|-------------------------------|
| WV 1 | 11 | 15,683 | 19,297 | 36,612 | 658.03 |
| WV 2 | 7 | 11,284 | 15,346 | 26,249 | 841.37 |
| WV 5 | 7 | 9,641 | 11,173 | 24,513 | 170.75 |
| WV 13 | 4 | 4,709 | 5,965 | 12,591 | 68.87 |
| WV 20 | 10 | 11,230 | 15,683 | 27,620 | 802.66 |
| WV 22 | 23 | 29,463 | 48,061 | 70,173 | 4,453.56 |
| WV 26 | 28 | 40,713 | 55,055 | 105,316 | 3,678.66 |
| WV 28 | 10 | 19,702 | 24,280 | 46,300 | 907.41 |

Cluster result summary table for WV

Viewing results on the web

- Housing Maps Data Explorer (ArcGIS Online web map app)
- No password or account required
- Link: <https://arcg.is/1OLSrn>
- Layers included:
 - Cluster results by state (merged final clusters)
 - Dominant routes
 - Additional reference layers (metro/micro, CDPs, Census places)



EEC Update from Lona Brewer – Lona.Brewer@ky.gov

1. KY EEC/OEP submitted the application for the \$2.4 million contractor training grant at the end of January.
2. The RFP to hire a contractor to assist with the IRA Rebate Programs design and application submittal will be released any day.

3. Training Opportunity: Thursday, February 22, 11-11:30 am

What: Overview and walkthrough of the updated Kentucky Energy Affordability Dashboard.

Details: During the webinar, Evan Moser, data scientist for the Office of Energy Policy, will give an overview of the updates to the dashboard and provide attendees with a detailed walkthrough of the functions and capabilities the dashboard provides as users seek information on demographic, housing, and utility characteristics within Kentucky. This dashboard can be utilized as a way to inform and educate, data can be utilized for grant applications and more.

Please feel free to forward this invite.

Ashley Runyon
Assistant Director
Office of Energy Policy

Microsoft Teams meeting

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Fahe's Disaster Resilience

Feb 2024 update



fahe
Strength in Numbers

DR Department

Fahe DR Team Updates

Pam Johnson is working closely with Jim to provide overall leadership for Fahe's Disaster Resilience efforts, and is coordinating/aligning with other Fahe departments engaged in disaster resilience activities.

DR Team leadership: **Jacob Wolfe** was promoted Sept 2023 to Director of Disaster Resilience

As of Jan 2024, the Disaster Resilience Team is fully staffed:

- **Ashton Whitney**, DR Coordinator
- **Ben Mosley**, Project Manager
- **Paige LoBue**, Project Manager
- **Alex Phares**, Compliance Monitoring Specialist



fahe
Strength in Numbers

Housing Can't Wait

Fahe and our Eastern Kentucky Members spearheaded a Coalition to bring together Funders, Federal & State Government Agencies, and other Partners who are active in the Eastern Kentucky flood rebuilding effort.

The coalition is growing and continues to establish itself through events, working to trademark the *Housing Can't Wait* slogan, and collaborating via regular group meetings that keep information flowing among regional housing leaders.

Since 2022, Housing Can't Wait partners have built 45 homes, and 250 homes have received major rehabilitation.

Housing Can't Wait Rehabbed and New Homes Per County



Map: Fahe • Created with Datawrapper

Visit housingcantwait.org to learn more and interact with the map

Operational Strategies- Substance Use Disorder

Problem to be Solved

The Appalachian region faces a severe substance use disorder (SUD) crisis, particularly with the opioid epidemic, leading to elevated "deaths of despair." Limited housing compounds the challenges for those seeking treatment, impacting public health, emergency services, workforce participation, and community engagement.

Strategies

Funding and Program Access: Proactively secure grants to support diverse opioid-use disorder programs, emphasizing proven treatment services for widespread community accessibility.

Innovative Recovery Housing: Acquire funding for pioneering recovery housing models that address housing needs, provide supportive services, and offer ongoing assistance, fostering a comprehensive approach to rehabilitation.

Collaborative Partnerships for Holistic Support: Harness existing resources and grants through partnerships with healthcare facilities, career opportunities, and transitional housing, creating a network of support for individuals in recovery.

Education and Stigma Reduction: Promote continuous education on best practices, clinical findings, and research related to substance use disorders, aiming to implement effective strategies while actively working to reduce societal stigma.

What Does Success Look Like?

Fahe aims to break the generational cycles of poverty and addiction, emphasizing sustainability for prevention, treatment, and recovery initiatives. Appalachia should no longer be characterized as the epicenter of the opioid epidemic. Combining Federal, state, local, and private resources to make a significant impact should result in sharp declines in overdose and fatalities. Success is marked by frictionless access to treatment for anyone in Appalachia with SUD, leading to a larger volume of individuals in recovery living healthy, productive, and prosperous lives.

Operational Strategy – Public Health

Problem to be Solved

The Appalachian region grapples with escalating health disparities, marked by increasing rates of heart disease, cancer, diabetes, and stroke. The heart disease mortality rate is 17 times higher than the national average, with a common correlation between rural areas and higher cardiovascular disease rates. Access to healthcare, clean water, healthy food, and affordable housing are critical components of the public health landscape, requiring attention to bridge the existing gaps.

Strategies

Strategic Financial Support for Healthcare: Secure capital to fund quality healthcare services, collaborating with health partners to ensure widespread availability in communities.

Investment in Healthcare Infrastructure: Allocate capital to strengthen healthcare infrastructure, promoting proximity to quality healthcare, telehealth services, and essential tools.

Funding Health Promotion and Education: Prioritize health promotion and education funding, integrating them into programs to facilitate access to necessary health services.

Optimizing Referral Systems and Collaboration: Enhance referral systems for efficient access to housing, healthcare, mental health services, and holistic support, while fostering collaboration on community-centered health initiatives to address diverse healthcare needs.

What Does Success Look Like?

Fahe aims to transform the public health landscape in the Appalachian region. Success involves increased integration between Fahe's network and healthcare service providers, leading to improved health outcomes across the region. Long-term success is marked by enhanced accessibility and affordability of healthcare options, ultimately dispelling the region's reputation for poor health rankings. We will strive to align strategies around financial commitment, infrastructure, promotion, and collaboration.

Operational Strategy - Broadband

Problem to be Solved

Broadband access in the Appalachian region is marked by a rural-urban divide, with subscription rates over 20% lower in rural areas, hindering opportunities in education, telework, telehealth, business growth, and more. A lack of reliable broadband threatens to leave whole areas behind, necessitating a coordinated effort to bridge the digital divide and ensure equitable access.

Strategies

Strategic Capital and Platform Enhancement: Secure capital and enhance delivery platforms to increase investment in broadband infrastructure, addressing historical disinvestment in connectivity.

Affordable Access Advocacy: Implement solutions for affordable broadband connectivity by seeking grants, expanding partnerships, and advocating for policies that promote affordability, deployment, and equitable access.

Market-Driven Deployment Strategies: Tailor broadband solutions to address market gaps, conduct community needs assessments, and leverage resources to align solutions with demands, ensuring Federal resources effectively reach the region.

Overcoming Geographical Challenges: Focus on realistic strategies for comprehensive broadband coverage by collaborating on infrastructure projects, leveraging grants, and forming community partnerships to overcome topographical complexities.

What Does Success Look Like?

Fahe aims to empower Appalachian communities for a connected future, where broadband is an expectation, acting as a catalyst for economic growth, empowerment, and sustained connectivity. Success results a net-positive impact on broadband attainability, whether it be residential or community. Ultimately, success is achieving a world where high-speed broadband is universally accessible no matter who your momma is.

Operational Strategy - Infrastructure

Problem to be Solved

Appalachian residents face challenges in accessing affordable utilities and essential infrastructure, hindering economic growth. The region is lacking in not only basic utilities but also economic and workforce development infrastructure, including housing, transportation, and childcare, impacting the attraction and retention of a skilled workforce.

Strategies

Comprehensive Infrastructure Redefinition: Expand the infrastructure definition to include housing, transportation, and childcare. Innovate solutions for housing challenges, transportation programs, and childcare deserts, redefining these elements as essential infrastructure.

Housing Advocacy and Economic Stimulus: Develop a unified narrative characterizing housing as crucial infrastructure. Advocate for government responsibility in providing attainable housing, emphasizing community needs assessments and resource leveraging. Invest in affordable and attainable housing to stimulate economic activity, job creation, and employee retention.

Financial Sustainability Commitment: Demonstrate a commitment to financial sustainability in infrastructure development through grant-seeking, expanded partnerships, and tailored solutions to address financial challenges.

Collaborative Infrastructure Development: Collaborate on projects, leverage grants, and form community partnerships for comprehensive infrastructure development. Consider workforce development and address exclusionary zoning practices. Strengthen relationships with Urban Local Governments (ULGs) for improved safety, public access, transportation, utilities, and community access.

What Does Success Look Like?

Fahe aims to stimulate economic activity, create jobs, and enhance community well-being, emphasizing the interconnectedness of these elements in fostering sustainable and inclusive development. Built environments are capable of meeting basic needs, and state governments align on a comprehensive definition of infrastructure, contributing to a positive narrative around tailored infrastructure development solutions. Ultimately, success is marked by the creation of more livable communities with accessible, affordable, and better maintained infrastructure.

Operational Strategy – Residency/Fellowship

Problem to be Solved

The non-profit workforce in Appalachia faces a talent vacuum, with an aging workforce and motivated youth drawn out of rural areas, posing challenges in attracting, recruiting, and retaining skilled individuals. The region's labor force participation rate lags significantly behind the national average, and the specialized skills that Fahe needs are in increasingly short supply.

Strategies

Strategic Investment Prioritization: Prioritize private investment, philanthropy, and donor-advised funds to support residency and fellowship programs, emphasizing the essential return on investment for cultivating future non-profit leaders.

Match Requirement Solutions: Develop methods to overcome match requirements in fellowship and residency programs, with a focus on directing leadership development funding to attract and retain promising leaders for the future.

Leadership Engagement and Capacity Building: Actively involve current leaders in residency and fellowship initiatives, expanding their involvement to enhance mutual benefits for participating organizations and contribute to leadership development.

Innovative Recruitment and Capacity Expansion: Build new residency and fellowship programs, connect Members to existing resources, and establish a centralized recruitment strategy to engage a qualified pool of professionals, while collaborating across networks to expand reach, recruitment, and retention. The traditional candidate pool is shrinking, so Fahe will need to expand the candidate pools for residency and fellowship programming, as well as recruitment more generally.

What Does Success Look Like?

Fahe aims to develop and share successful, self-sustaining residency models within and outside the network, fostering collective expertise and ensuring the long-term success of organizations and the region. Success is realized through residency and fellowship programming that attracts professionals to live and serve in Appalachia, gaining ground in qualified non-profit leadership for the future. Fahe seeks to address this by emphasizing its mission-driven focus to bolster residency and fellowship programs, providing long-lasting positive community impact.

Fahe Affiliated Partner Criteria

Thank you for your interest in becoming an Affiliated Partner of Fahe; we are building hope, building relationships, strengthening communities, and nurturing families through housing and support systems. By building on trusted relationships in Appalachia, we make more happen together. We work together and openly share brand, influence, and successful strategies. We speak with a strong voice and create dynamic impact, gathering expertise from each other. We envision Appalachia as a place proud of sustaining its culture and environment, where growth, opportunity and hope are balanced so that all people fulfill their potential with regard to housing, employment, education opportunity and quality of life.

Fahe Affiliated Partners are trusted organizations sharing a common goal with the Fahe Network to carry out activities related to the general betterment of the housing or community conditions for low-income families in Appalachia. A Prospective Affiliated Partner can be introduced/invited by a Member or by Fahe Staff.

Benefits of being Affiliated with the Fahe Network:

- Access to open Fahe Meetings & Collaborative Opportunities:
 - Expertise among staff and peers
 - Networking through meetings events
 - Discounts for events
 - Access to Fahe-led Training
 - Shared Voice/Tools for Advocacy
 - Opportunities to connect to State/Regional/Federal Agencies
- Access to Capital: Lending and Equity products
(subject to applicable rules/regulations)
 - Mortgages, including Broker/Loan Packager Relationships
 - Commercial loans, including Lines of credit, Construction Loans, Community Facilities Loans
 - Low Income Housing Tax Credit (LIHTC) expertise
- Program Services by contract

Becoming an Affiliated Partner is a patient process, beginning with invitations to meetings, introductions, getting to know each other, and if interested, a formal letter of request to apply. Partnership is open to Nonprofit and for-profit organizations with a mission or purpose that fits with Fahe's vision for the region serving or investing in Appalachia and a demonstrated commitment to affordable housing.

Fahe Updates – KY Caucus

Quarterly Reporting – 12/31/23

| Without NWOs | | | With NWOs | | |
|----------------------------|-----------|--------|----------------------------|-----------|--------|
| Total Organizations | 46 | | Total Organizations | 54 | |
| Turned in by 1/10 | 11 | 23.91% | Turned in by 1/10 | 19 | 35.19% |
| Turned in by 1/15 | 26 | 56.52% | Turned in by 1/15 | 34 | 62.96% |
| Turned in by 1/25 | 28 | 60.87% | Turned in by 1/25 | 36 | 66.67% |
| KY Organizations | 13 | | KY Organizations | 15 | |
| Turned in by 1/10 | 4 | 30.77% | Turned in by 1/10 | 6 | 40.00% |
| Turned in by 1/15 | 10 | 76.92% | Turned in by 1/15 | 12 | 80.00% |
| Turned in by 1/25 | 11 | 84.62% | Turned in by 1/25 | 13 | 86.67% |

| | |
|---|--|
| Beattyville Housing and Development (BHD) | Reports Sent -1/4 - Wilma K |
| Bell Whitley Community Action Agency (BWCAA) | |
| Christian Appalachian Project (CAP/SV) | Reports Sent - 1/9 - Gail B/Hannah B |
| Christian Outreach with Appalachian People (COAP) | Reports Sent - 1/11 - Donna N |
| KY River Foothills Development Council (KRFDC) | Reports Sent - 1/22 - Georganna K |
| Housing Development Alliance (HDA) | Reports Sent - 1/18 - Cyndi M - Need to schedule meeting. |
| Housing Oriented Ministries Est. for Services Inc (HOMES) | Reports Sent 1/11- Michelle S |
| KCEOC | Nothing to report- 1/16 - Jennifer S/Michael Swafford |
| Kentucky Mountain Housing Development (KMHDC) | |
| KY River Community Care (KRCC) | Nothing to report - 1/5 - Robin F |
| People's Self-Help Housing (PSHH) | Reports Sent - 1/18- Justin H |
| Kentucky Highlands Investment Corp. (KHIC) | Reports sent -1/9 - Genia H |
| Partnership Housing (PH) | Reports Sent - 1/18 - Stacy R |

REED, Research Evaluation Evidence & Data Committee

Office hours: 1st Tues. 9:30-11:30am & 3rd Thurs. 1-3 pm

Standing Committee (REED): 3rd Mon. from 1:00- 2:15 pm each month

Contacts: kstigers@fahe.org cmoreno@fahe.org

From Community Lending:

With Fahe's support, Appalachian Community Capital has expanded its 2024 Opportunity Appalachia (OA) program to Kentucky, bringing a new opportunity for a technical assistant grant to projects in Kentucky ARC counties. The program targets real estate projects that support downtown development, healthcare, education, recreation & tourism, food systems, clean energy, manufacturing, and affordable housing. Throughout 2024 and into 2025, OA will select 5 high-impact projects in Kentucky giving each access to \$40,000 - \$75,000 in technical assistance in areas such as design, business planning, market studies and financial structuring, and assist in the development of investment prospectus, creation of project pitch videos and presentations, and make with connections with investment sources. The application round for the program opens February 8, 2024, and will run through April 12, 2024.

To learn more about the program, please join the Kentucky Program Launch webinar on Tuesday, March 12, 1:30 – 3. The agenda for the webinar will be finalized soon, and will be made available along with registration information. In the meantime, for more information or to apply, please visit the Opportunity Appalachia program site. <https://appalachiancommunitycapitalcdfi.org/oa-program/>

For further information, please contact the OA Kentucky State Lead, Dwain Neeley at dwain.neeley@fahe.org

From Partners for Rural Transformation:

Comms – PRT has launched our comms/fund dev campaign, stage one being who is PRT. This is the perfect opportunity to learn more about the Partners, and you can follow us on the following social media sites – Twitter/X, Facebook, Instagram, and LinkedIn.

Social Media links:

- [Twitter](#)
- [Facebook](#)
- [Instagram](#)
- [LinkedIn](#)

Advocacy – PRT is working to uplift the work you are doing and working to remove structural barriers and advocate policies that make your work easier to accomplish. This fall PRT issued a comment to the Office of Management and Budget urging some changes via their Guidance for Grants and Agreements input request. The comment requested greater transparency in audits, increased flexibility in administrative costs, improved flexibility in spend down of federal awards, and uniform applications to increase accessibility and usability, just to name a few.

Staff have been working to get our project management structure in place to help create greater impact within and across the working groups.

As always, if you are interested in more information about PRT, or how you can become involved, please let us know. You can email any of the staff or our info mailbox at PRT@pfrt.org.



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- Must be paired with Fahe's JustChoice Lending 1st Mortgage



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