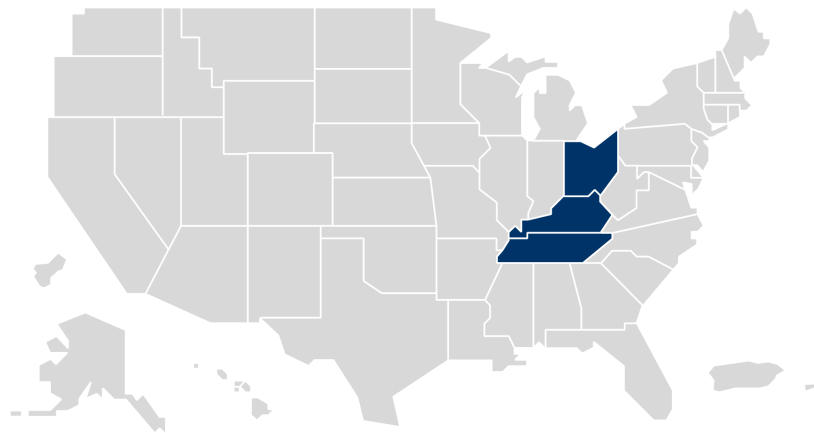


# ENHANCING LIVES, IMPACTING COMMUNITIES: THE FEDERAL HOME LOAN BANK SYSTEM



**LOUISVILLE AND JEFFERSON COUNTIES, KY-IN METRO AREA**  
SUB-STATE REPORT

# LOUISVILLE AND JEFFERSON COUNTIES, KY-IN METRO AREA Rental, Home Construction and Rehabilitation Activities Economic Basis



**\$20.74** MILLION

### TOTAL AHP SUBSIDY

AHP provides real estate finance equity for both rental and for-sale housing. AHP is more often referred to as a subsidy or grant and is delivered to FHLBank member financial institutions to assist in the funding for construction, rehabilitation and purchase of affordable housing.

**\$28.24** MILLION

### TOTAL AHP SUBSIDY INFLATION-ADJUSTED



**\$243.55** MILLION

### DEVELOPMENT COST

Development Cost refers to the cost of acquiring land or pre-existing housing units, demolition and/or relocation costs and any costs incurred while constructing, rehabilitating or redeveloping housing.

**\$335.69** MILLION

### DEVELOPMENT COST INFLATION-ADJUSTED

 **101**

### PROJECTS

Projects refers to the distinct use of AHP funding for a specific acquisition, construction or rehabilitation of building(s) or housing unit(s).

 **2,603**

### TOTAL UNITS

Total Units refers to the total number of single-family and multifamily units constructed using AHP funding, where each individual dwelling unit in a multifamily building is counted separately.

**Inflation-Adjusted** refers to the measure of return that takes into account the time period's inflation rate. For example, \$100 in 1990 is worth \$192 in 2018. This study reports all economic impacts in inflation-adjusted dollars.

# LOUISVILLE AND JEFFERSON COUNTIES, KY-IN METRO AREA Home Purchase Activities

## Economic Basis



**\$8.31** MILLION

### TOTAL AHP SUBSIDY

AHP provides real estate finance equity for both rental and for-sale housing. AHP is more often referred to as a subsidy or grant and is delivered to FHLBank-member financial institutions to assist in the funding for construction, rehabilitation and purchase of affordable housing.

**\$9.71** MILLION

### TOTAL AHP SUBSIDY INFLATION-ADJUSTED



**\$161.83** MILLION

### FIRST MORTGAGES

First Mortgages refers to the volume and value of first-lien position mortgages financed by lenders in a home purchase activity.

**\$187.33** MILLION

### FIRST MORTGAGES INFLATION-ADJUSTED



**1,651**

### TOTAL UNITS

Total Units refers to the total number of single-family and multifamily units constructed using AHP funding, where each individual dwelling unit in a multifamily building is counted separately.

**Inflation-Adjusted** refers to the measure of return that takes into account the time period's inflation rate. For example, \$100 in 1990 is worth \$192 in 2018. This study reports all economic impacts in inflation-adjusted dollars.

# LOUISVILLE AND JEFFERSON COUNTIES, KY-IN METRO AREA

## Rental, Home Construction and Rehabilitation Activities Economic Impact



**\$727.43** MILLION

### TOTAL ECONOMIC BENEFITS

Total Economic Benefits measure the economic activities associated with rental, home construction and rehabilitation enhanced by AHP funding.



**5,138** JOBS

### JOB CREATION

Job Creation includes new full-time, part-time, temporary, permanent, salary-based and fee-based jobs generated by the addition of AHP-enhanced rental, home construction and rehabilitation activities.



**\$261.13** MILLION

### LABOR INCOME

Labor Income refers to all forms of income that stem from employment, such as salaries and hourly wages and profits made by developers, builders and contractors.

**2.17**

### MULTIPLIER (IMPLAN Factor)

Multiplier is a term used for the economic ripple effect measured by an economic impact model. In this case, the multiplier effect accounts for how each additional job or dollar of output enhanced by AHP funding impacts the home construction and rehabilitation of affordable rental and housing units.

# LOUISVILLE AND JEFFERSON COUNTIES, KY-IN METRO AREA Home Purchase Activities

## Economic Impact



**\$409.83** MILLION

### TOTAL ECONOMIC BENEFITS

Total Economic Benefits measure the economic activities associated with home purchases, enhanced by AHP funding.



**2,560** JOBS

### JOB CREATION

Job Creation includes new full-time, part-time, temporary, permanent, salary-based and fee-based jobs generated by the addition of AHP-enhanced home purchase activities.



**\$93.89** MILLION

### LABOR INCOME

Labor Income refers to all forms of income that stem from employment, such as salaries and hourly wages and profits made by developers, builders and contractors.

# 2.03

### MULTIPLIER (IMPLAN Factor)

Multiplier is a term used for the economic ripple effect measured by an economic impact model. In this case, the multiplier effect accounts for how each additional job or dollar of output enhanced by AHP funding impacts the home purchases of affordable housing units.

# House of Ruth – Serving Those with Special Needs



As the executive director of the Coalition for the Homeless in Louisville, I understand the importance of targeting housing resources to those with the lowest incomes. I also see what a struggle it is to create this desperately needed housing with rising rents and construction costs. This makes Federal Home Loan Bank of Cincinnati (FHLBank Cincinnati) funding critical to our community. More than any other source, FHLBank Cincinnati provides funding with strong incentives to serve special-needs populations and those who are homeless and/or very-low-income.

The FHLBank Cincinnati Affordable Housing Program (AHP) is often the first dollar in, or the final piece of the puzzle, to incentivize projects like the House of Ruth East Kentucky Duplex, funded in partnership with Commonwealth Bank and Trust Company with FHLBank Cincinnati AHP funds in 2017. This funding will help create two housing units that will serve four very- low-income persons with HIV/AIDS per year and leverage \$250,000 in additional dollars. For its 26-year existence, House of Ruth has been the only Louisville HIV/AIDS services nonprofit that houses people affected by the virus in properties it owns and operates. Providing stable housing to those with HIV/AIDS is absolutely critical to their health. Without a place to live, people with HIV/AIDS are much less likely to keep medical appointments and take their medication as prescribed. Both are vital to managing the disease and maintaining one's health.

Most of House of Ruth's projects are small in order to integrate into the community. The AHP is flexible enough to fund just this type of project, and allows the East Kentucky Duplex to serve families in their own neighborhood and on the same block as the House of Ruth main office, improving access to services. The new duplex is also designed for low energy use, which will allow it to operate cost-effectively for years.

**Lisa J. Sutton**  
Executive Director, House of Ruth, Inc.