



HOUSING PARTNERSHIP INITIATIVE NEW MARKET TAX CREDITS

Creating Homeownership Opportunities For West Louisville Residents

“Innovative financing from the Housing Partnership Fund is making it easier for us to build back better and to move renters into homeownership where they live.”

Andrew Hawes
President & CEO
Housing Partnership, Inc.

In 2021, the Housing Partnership Fund (HPF) made an NMTC investment to boost single-family homeownership among individuals and families of color as part of a cornerstone initiative of The Housing Partnership, Inc. (HPI). HPI aims to make homeownership less costly than renting and revitalize disinvested neighborhoods west of Louisville’s infamous “9th Street Divide.” Since 2017, the HPF has pioneered the use of New Markets Tax Credits (NMTCs) to subsidize development and sale of single-family homes, making them more affordable to homebuyers with low or moderate incomes. Equity raised through the Housing Partnership Network (HPN)’s NMTC allocation provides a flexible subsidy to increase homebuilding, reduce the cost of home buying, and strengthen the local economy.

DEEP INVESTMENT IN NEIGHBORHOODS

HPI is the first nonprofit real estate organization in Louisville, Kentucky to use NMTCs to develop for-sale, single-family homes. Beyond 9th: Revitalizing West Louisville through Strategic Homeownership is a multi-year initiative to stabilize severely economically distressed and historically redlined West

Louisville neighborhoods. HPI finds investments that will provide new affordable homeownership opportunities while stabilizing home values of adjacent owner-occupied homes to create nodes of increased owner-occupancy. HPI used a \$6 million NMTC allocation to renovate 60 vacant and expired 9% Low-income Housing Tax Credit (LIHTC)-subsidized, scattered-site, single-family rental units, and convert them into owner-occupied homes. In addition to allocating NMTCs, HPF provided a \$1.5 million leverage source loan in partnership with the Community Foundation of Louisville. The homes were completed in December 2022 for a total cost of \$7.8 million, with the total proposed home sales valued at \$6.7 million. To date, HPI has sold 55 of the 60 houses with contracts pending on the remaining homes. While HPI launched Beyond 9th in 2016, the need has become even more pressing after the tragic murder of Breonna Taylor and the rise of the Black Lives Matter movement. HPI, along with partner nonprofits, community organizations and Louisville Metro, have focused significant resources on West Louisville with the aim to address a legacy of historic racism.



SUSTAINING IMPACT

The long-term goals of Beyond 9th are to provide wealth-creation opportunities to predominately black communities and reestablish homeownership in historically redlined neighborhoods. The homes will be sold at an average price of \$104,600, in line with the rising market and in keeping with neighborhood revitalization efforts. The houses are affordable for households earning between 30%-80% of the Area Median Income (AMI), with a median AMI of 48%. HPI also helps homebuyers secure down payment assistance.

To date, the impacts of Beyond 9th include:

- The average AMI of homebuyers is below 60% AMI
- Of all home sales, 90% have been to people making 80%AMI or lower
- 81% of home sales have been to black families
- 60% have been to female heads of household
- 55% of houses were aided by minority- or female-owned contractors

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lending@housingpartnership.net

ORGANIZATION:



IMPACTED LOCATION

Louisville, KY

HOMES REHABILITATED

60

INVESTMENT TERM

36 Months

HPF/HPN INVESTMENT

\$6M NMTC
Allocation
\$1.5M Leverage
Source Loan

KEY PARTNERS

Community
Foundation of
Louisville
US Bank