

2018 Annual Report



LHOMEKY.org

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The Louisville Housing Opportunities and Micro-Enterprise Community Development Loan Fund, Inc.

History

LHOME was formed by two nonprofit organizations that saw how under-invested Louisville was in Community Development Financial Institutions (CDFI's). Judy Tiell, Executive Director of Jewish Family and Career Services (JFCS), and Cathy Hinko, Executive Director of the Metropolitan Housing Coalition (MHC) formed LHOME in late 2011.

LHOME was incorporated as a 501c3 and JFCS provided loan funds to start micro-lending operations. After a few years, the founding agencies realized that LHOME could benefit from a restructure of the Governing Board to bring in experienced leadership in affordable housing as well as small business lending. In January 2017, the Governing Board was reconstituted to include Executive Leadership of MHC and New Directions Housing Corporation while retaining Board Member Adam Hall, the Regional Community Development Officer at Fifth Third Bank. This new Board hired Amy Shir as LHOME's Executive Director in June 2017. Ms. Shir was charged with establishing a track record of lending and getting LHOME certified by the CDFI Fund by the end of 2018.

A \$125,000 Technical Assistance grant from the CDFI Fund at the U.S. Treasury was used to build the capacity of LHOME, establish a robust lending operation, and apply for CDFI Certification. LHOME applied for CDFI Certification in March 2018 and was awarded it on June 7, 2018—six months ahead of schedule.

Mission

The purpose of LHOME is to combat community deterioration and relieve poverty in economically disadvantaged areas of Metro Louisville through: community development and revitalization programs; projects and activities that stimulate the development of affordable housing; micro-enterprise development in such areas by low-income individuals; foster job creation, and to engage in other charitable and educational activities consistent with this purpose. Specifically, LHOME exists to promote ownership in Louisville's low-income neighborhoods and wealth creation for small business owners and homeowners.

Funders

BB&T	New Directions Housing Corporation
CDFI Fund	Old National Bank
Central Bank	Park Community Credit Union
Citizens Union Bank	PNC Bank
Community Foundation of Louisville	Republic Bank
Fifth Third Bank	SpeedPro Imaging
findCRA	Sponsor 4 Success
First Financial Bank	U.S. Bank
First Savings Bank	WesBanco
The Gheens Foundation	
Heine Brothers' The Housing Partnership, Inc.	
James Graham Brown Foundation	
Just Money Advisors	

President's Letter

Dear Friends,

LHOME had a big year in 2018. At the end of 2017, LHOME had deployed only 4 micro-business loans at a total of \$7,000. Also at that time, LHOME had assets comprising an \$80,000 loan fund from Jewish Family and Career Services (LHOME's founding entity) and a \$125,000 Technical Assistance grant from the CDFI Fund at the U.S. Treasury. In contrast, at the end of 2018, LHOME deployed a total of 29 loans, totaling over \$170,000. Additionally, our grant funds grew to \$289,000 and our loan funds increased to \$955,000. LHOME is experiencing exponential growth because there is so much need and opportunity.

According to the parameters of the TA Grant from the CDFI Fund, LHOME was to achieve CDFI Certification no later than December 31st, 2018.

LHOME achieved CDFI Certification six months ahead of schedule, in early June 2018. This is due to our establishing a strong track record of lending, being accountable to our Investment Area (90 low-moderate income census tracts in Jefferson County, KY), and building our lending capacity while providing quality "development services," such as financial coaching for consumers and small business owners.

LHOME's mission is to provide loan capital and technical assistance to promote small business and home ownership, primarily to residents of low-income census tracts in Jefferson County, KY. To achieve and maintain CDFI Certification, we must make at least 60% of our loans to residents or small business owners located in our Investment Area. Because of our intentionality to serve those with the most need, over 80% of our loans have been made to our Investment Area. Additionally, all but five of our loans were made to minorities, two were made to low-income elderly clients, one loan was made to a woman who is deaf, and two loans closed for nonprofits providing affordable housing.



LHOME is the only nonprofit certified CDFI headquartered in Louisville. Therefore, we have almost no competition to make a significant impact in providing affordable, accessible loan capital to promote ownership in low-income neighborhoods. LHOME's suite of products continues to grow: in 2018, we provided loans up to \$15,000 to small business owners; working capital loans to promote more women and minority contractors building affordable housing; and property tax assistance loans to help elderly homeowners pay delinquent property tax bills and age in place.

LHOME is a mission-driven lender that expects its tremendous growth and impact on community development to continue into



2019 and beyond. Next year, we plan to build our loan portfolio: home repair/energy efficiency loans, small developer/investor loans for rehabilitating vacant and abandoned properties, and raising small business loan amounts to \$30,000 to better meet client needs. LHOME thanks its multiple funders, including the CDFI Fund, local philanthropic institutions, local financial institutions, and local individual donors for believing in our ability to finance peoples' dreams – of small business and homeownership. We invite you to continue supporting us as we lift up more community members to build wealth, add jobs, and instill hope for future generations.

Sincerely,

Amy Shir

Amy Shir, President & CEO

2018 Accomplishments



Melvin is a union contractor who was contracted to renovate a house for The Housing Partnership, Inc. (HPI). LHOME was able to loan Melvin the maximum amount of \$15,000 in order to help expedite the renovation process. The loan helped Melvin immediately pay his sub-contractors. Additionally, he was able to purchase needed materials and complete the work faster. We are happy to be able to help Melvin expedite the remodeling process.



Pamela, a single mother, is the proud owner of Sweet Peaches, a restaurant and bakery in the Russell neighborhood. She caters to an adult living facility. In December, she catered Home Sweet LHOME, our first annual celebration. Later that month, we were able to provide her a Capital Loan for her business. She planned to use the loan to help her rent additional space and buy materials for the holiday season. She also plans to expand her restaurant and baking space into the building next door to her current location. We also connected her to Louisville SCORE to provide her with financial coaching and advice to scale her successful business. We are pleased to have been able to help Sweet Peaches expand and continue to be a welcoming, delicious establishment.

Total Loan Disbursements Since Inception		
Loan Type	Dollar Amount	Loans Made
Property Tax Assistance	\$13,917	7
Small Business	\$80,500	15
Nonprofit	\$50,365	2
Working Capital	\$30,000	5
Total	\$178,372	29

Home Sweet LHOME

In December, LHOME celebrated its first year of success at Joshua Tabernacle Missionary Baptist Church.

Clients, staff, LHOME founders and board members, and community supporters attended the celebration.

Amy Shir spoke to the crowd about LHOME's successes and Louisville's need for CDFI support and investment.

Clients Charles Simpson, Ismail Ali, and Farhan Abdi (pictured) spoke in support of LHOME.



“If you want to lift your community, please make sure you support LHOME the best way you can.”

-Ismail Ali, owner of Farhiyo's Fashions

2018 by the Numbers

625%

increase in the number of loans deployed since 2017

80%

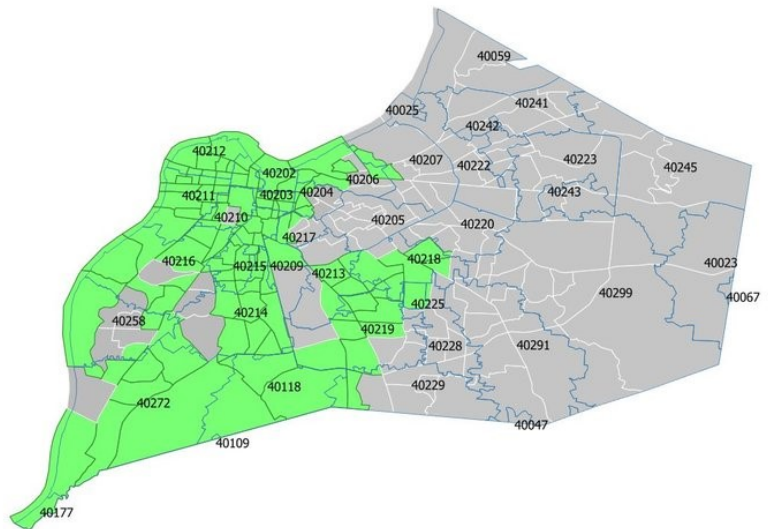
of loans were made in LHOME's Investment Area

2,448%

increase in the volume of loans deployed since 2017

83%

of loans were made to minorities



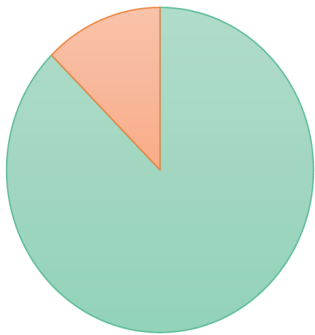
LHOME's Investment Area is highlighted in green on this map of Jefferson County, Kentucky. The CDFI Fund requires LHOME to make at least 60% of its loans to its Investment Area.

Financial Report FY18

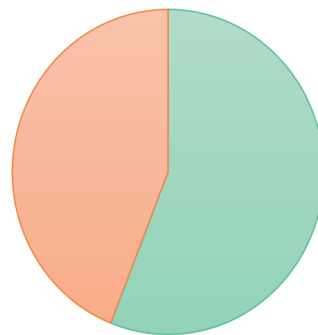
Revenue and Other Support	
Grant Revenue	\$ 347,754
Contribution Revenue	\$ 12,742
In-kind Donations	\$ 30,533
Interest Revenue	\$ 4,928
Other Revenue	\$ 1,269
Total Revenue and Other Support	\$ 397,226

Expenses	
Program Expenses	\$ 107,681
Management and General	\$ 50,362
Fundraising	\$ 34,120
Total Expenses	\$ 192,163

Change in Net Assets	\$ 205,063
Net Assets FY17	\$ 15,804
Net Assets at the End of Year	\$ 220,867



87.5% of revenue came from grants



56% of costs were spent on program expenses

129.75%
LHOME's asset growth
in FY18

2019 Hires

Joyce Monty will join LHOME as Executive Administrator in January. Joyce comes to LHOME from the Urban Senior Job Corps Program administered by the Louisville Urban League.



Andrew Pleasant will join LHOME as Chief Community Engagement Officer. Andrew has lending experience from Fifth Third Bank and was an owner-operator of a local Baskin-Robbins.



2019 New Loan Products

1. Home Repair/Energy Efficiency Loan
2. Job Up Loan
3. Small Developer/Investor Loan

In the Press

Jewish Community Newspaper, *Shir*, LHOME, revitalize underserved markets Feb. 2018

Louisville Business First, *People to know nonprofits: Amy Shir*, Mar. 16, 2018

Louisville Business First, *All our neighbors are doing it better: Louisville isn't making use of this lending tool*, Jun. 11, 2018

Courier-Journal, *Why there may be hope for Louisville Gardens thanks to Trump's tax cut*, Sept. 7, 2018

Insider Louisville, LHOME celebrates \$1.5 million in loan funds and honors founders, Dec. 13, 2018

Louisville Business First, *Investment fund raises \$1.5 million, wants to 'put all predatory lenders out of business,'* Dec. 13, 2018

Acknowledgements

Special thanks to LHOME's Community Advisory Committee for advising us on the best way to introduce new products and services to promote community member ownership and wealth building.

LHOME receives grant and loan funds from a variety of sources including financial institutions, local foundations, and individuals. A special thanks to all of LHOME's funders.

Board Members

Andrew Hawes

Chair

President, The Housing Partnership, Inc.

Lori Hudson Flanery

Vice Chair

President & CEO, New Directions Housing Corporation

Patrick Cornett

Treasurer

Vice President and Chief Financial Officer, The Housing Partnership, Inc.

Kitty McKune

Secretary

Chief Revitalization Officer, New Directions Housing Corporation

Adam Hall

Community and Economic Development Manager, Fifth Third Bank

Kathy Pleasant-Merritt

Vice President, Republic Bank & Trust

Syvoskia Bray Pope

Grants Contractor Coordinator, Louisville's Office of Resilience and Community Services

Staff Members

Amy Shir

President and CEO

Andrew Pleasant (starts 2019)

Chief Community Engagement Officer

Dan Farris

Chief Loan Officer

Joyce Monty (starts 2019)

Executive Assistant

Leila Faucette

Chief Operating Officer

Zoe Gerstle

Chief Information Officer

