

Housing Development Alliance

Hazard, KY

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ABOUT

IMPACT (1994-2020)

- 30 direct jobs and 50 indirect Jobs created or retained
- 1,154 households/families assisted
- 301 new homes constructed, 816 homes rehabilitated, 37 rental units (99% low-and-moderate-income)
- \$48 million in total financing secured
- hdahome.org

The mission of the Housing Development Alliance (HDA) is to use the power of housing to transform lives and build a brighter future for our community. HDA serves the people of Perry, Knott, Leslie, and Breathitt counties in the heart of the coalfields of eastern Kentucky. These counties have some of the highest poverty rates in the nation. The biggest obstacles to safe, decent, and affordable housing in these counties are poor-quality housing, persistent poverty, and extremely low incomes. In fact, 42% of households in the region earn less than \$25,000 a year.

HDA has provided affordable homeownership, home repair, and rental housing in its communities for over 25 years. Its programs serve a broad range of households, including disabled individuals, single-parent and two-parent households, the elderly, and young, working families.

HDA regularly uses U.S. Department of Agriculture (USDA) Rural Housing programs to meet the housing needs of the families it serves. This includes the USDA Section 502 Direct Loan program, which provides affordable mortgages that HDA leverages with other federal, state, and local dollars to make homeownership affordable. Over the last 25 years, HDA has constructed over 300 new homes for low-income families earning an average of \$18,000 annually. This amounts to an investment of over \$35 million, including almost \$14 million in Section 502 Direct Loan mortgages. For every dollar of this funding, HDA has leveraged more than \$1.50 in other resources. HDA completed over 800 repairs for low-income homeowners, including over 425 served with RD 504 loans and/or grants. HDA recently launched Hope Building - a paid, on-the-job construction training program for people in recovery. The Hope Building participants complete their training while constructing workforce housing, which can be financed with both RD 502 Direct and RD 502 Guaranteed mortgages.

SUCCESS STORY



THE BEST CHRISTMAS GIFT EVER

Like so many other low-income East Kentucky families, Brian and Heather Hall struggled to pay the rent and rising utility costs on their rented double-wide. The Halls, who have three school age boys (one of whom is a child with special needs), lived in a community where “folks lived on top of one another” and the boys had to play near a busy road.

The Halls were approved for a new home using a USDA Section 502 Direct Loan. Calling it “the best Christmas gift ever,” the Halls contributed 100 hours of sweat equity on the home throughout the winter and spring. When the Halls moved into their home in the summer, they became HDA’s 300th homeowner.

“We’ve always wanted a home, and it’s finally come true after a long time,” Brian said. “It took a lot of work, going almost daylight to dark, but it’s been good!” The Halls now live on a half lot, giving their three sons plenty of room to play. “It sure has put a lot of smiles on some kids,” said Brian.

The home was financed by combining \$88,000 in a USDA Section 502 Direct Loan with \$10,000 in funding from the U.S. Department of Housing and Urban Development’s (HUD) HOME Investment Partnerships (HOME) program, \$14,400 from HUD’s Self-Help Homeownership Program (SHOP), and \$50,000 from the Federal Home Loan Bank. To further ensure affordability, the home is Energy Star-certified with a Home Energy Rating System (HERS) score of 48 and an estimated total energy cost of just \$100 per month.

HIGHLIGHTS

- Location: Eastern Kentucky
- \$88,000 from USDA’s Section 502 Direct Loan program
- \$50,000 from the Federal Home Loan Bank
- \$14,400 from HUD’s Self-Help Homeownership Program
- \$10,000 from HUD’s HOME Investment Partnerships Program,
- 100 hours of sweat equity
- \$100 per month in energy savings



“I’m paying half of what I was before on energy costs,” Brian said. “It’s helped us tremendously. I wouldn’t take anything for it. We’re blessed!”

-Brian Hall, new homeowner