

HOUSING DEVELOPMENT ALLIANCE

- 29-year-old nonprofit (CHDO)
- Mission: To use the power of housing to transform lives and build a brighter future for our community.
- Built and financed 335 new homes
- Completed 875 home repairs
- Developed 43 rental units
- Created an on-the-job-training program for people in recovery



On July 27th, We Had a Housing Crisis

At least 40% of population was inadequately housed.

- Living in Places Not-designed for Human Habitation



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At least 40% of population was inadequately housed.

- Living in Places Not-designed for Human Habitation
- Living in Substandard Housing
- Overcrowded
- Cost Burdened
- Homeless



Fundamental Cause of Housing Crisis Was Economic

Extremely Low Incomes

- Median Income is about 50% of national average
- 1 in 6 households living on less than \$10,000 per year
- 1 in 4 households living on less than \$15,000 per year
- 1 in 3 households can only afford \$500 or less for housing/utilities.

Persistent Poverty Region

- Years of disinvestment in housing
- Dilapidated existing housing stock
- Layers of challenges



On July 27th, We Had a Housing Crisis

- 275 Families seeking home repair
- 210 Families seeking homeownership
- Rental waiting list full



July 28th

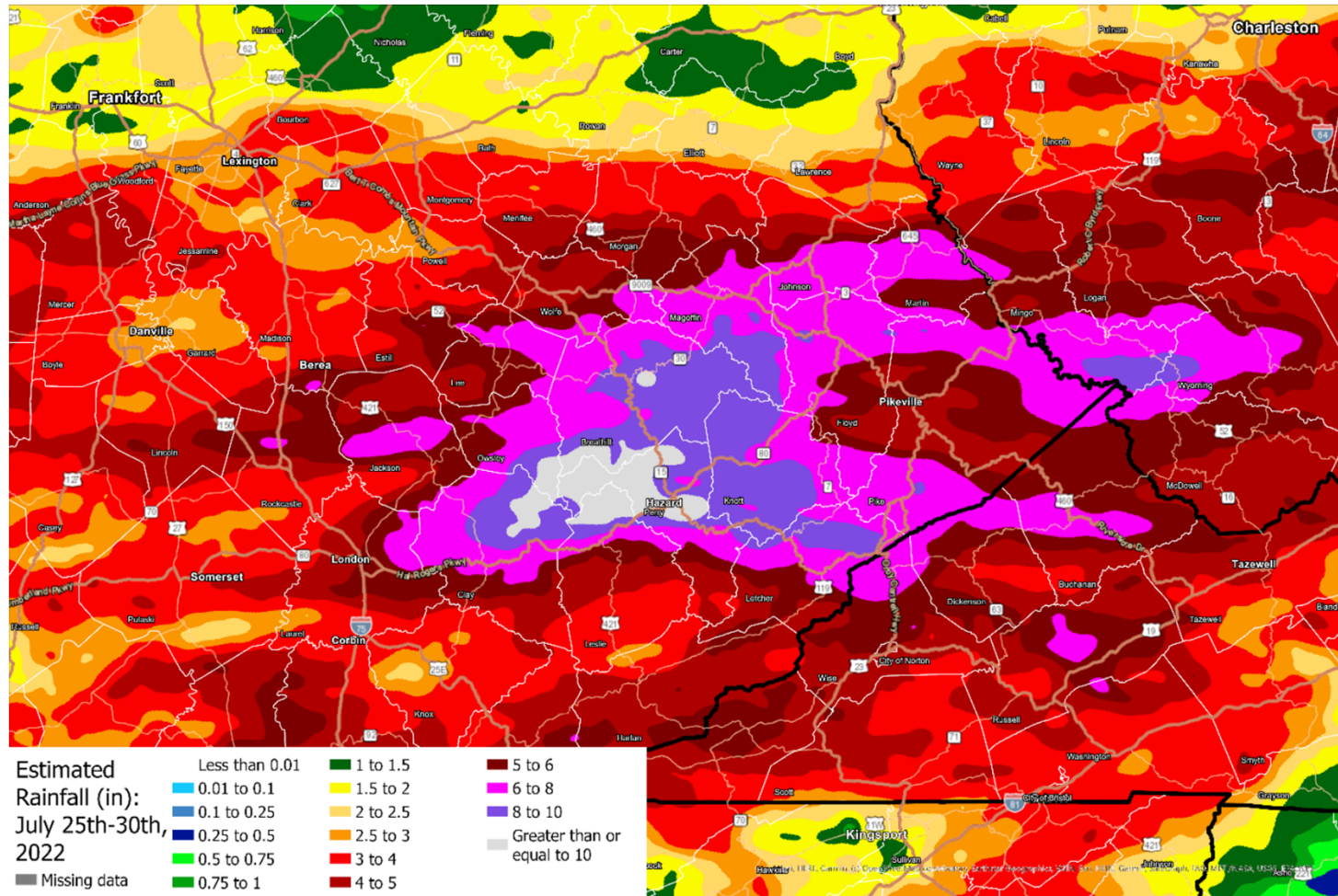


Image from National Weather Service for July 2022 Flooding (<https://www.weather.gov/jkl/July2022Flooding>)

Topography





Impacts

FEMA Data (Eric Dixon, Ohio River Valley Institute)

- 393 Homes Destroyed
- 8,304 Uninhabitable without Repairs
- 13,833 Reported Damage to House
- More than 1 in 7 homes had at least 1 inch of water (hardest hit counties)

Red Cross

- 385 Homes Destroyed
- 1,934 Major Damage
- Plus . . .



The Challenge of Floods - Relocation



Flood Plain Regs

No New Construction (Including setting mobile homes)

- Unless elevated above base flood elevation
- Crawlspace/basement flood proofed

If home 50% damaged, can't repair unless flood proofed

- Finished floor above base flood elevation
- Crawlspace/basement flood proofed



Flood Plain Regs - Challenges



- Broken housing market
- Low values
- State reg, local enforcement . . .

Our Goal – Get Folks Out of Harm's Way

Relocation

- Families living in homes 50% damaged, regardless of flood plain status
- Anyone who wants to relocate

Fortify homes of those who don't relocate

- Raise mechanicals above water level
- Strengthen foundation and the connection to the foundation
- Elevate?
- Bridges not culverts



Our Goal – Get Folks Out of Harm's Way

We need a buy out program

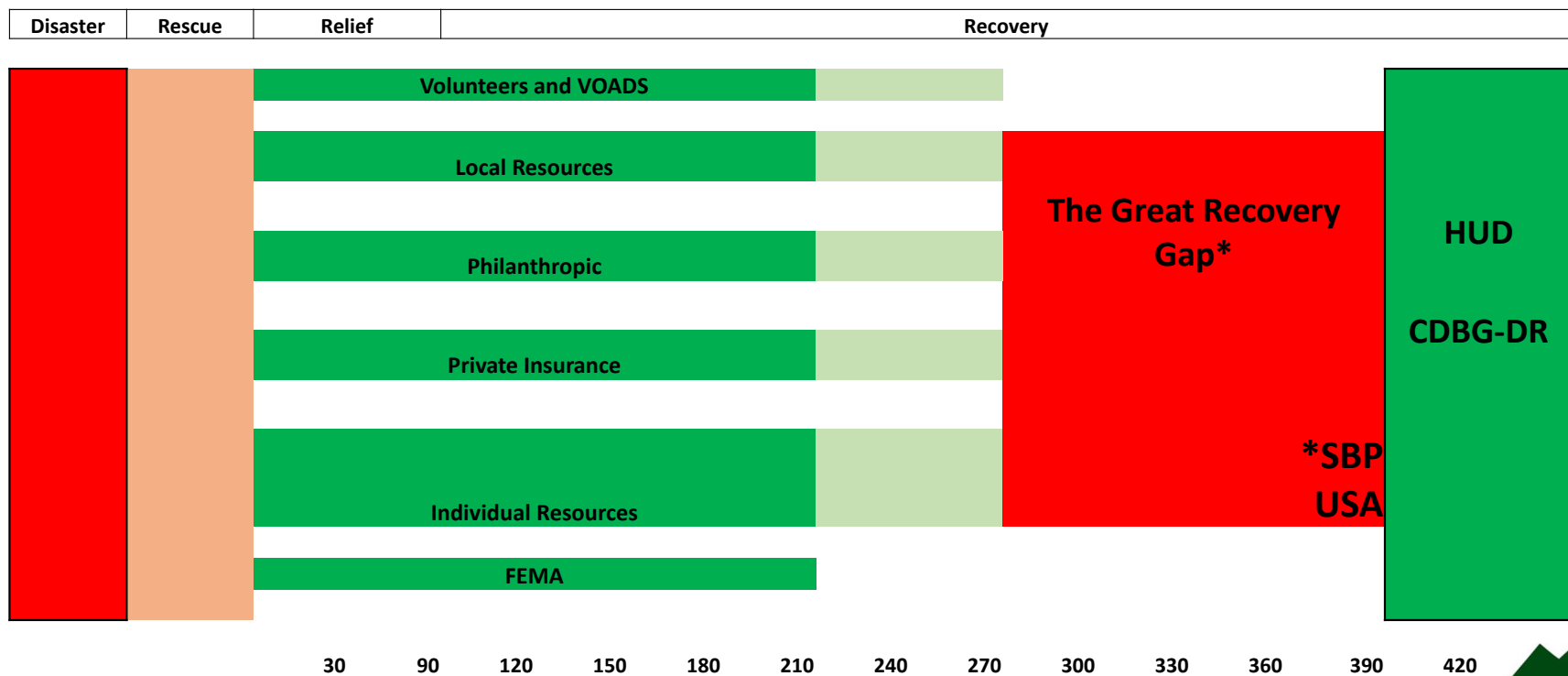
- Helps with existing debt
- Helps owners realize equity
- Can encourage people to relocate
- Prevents re-use of flood prone home



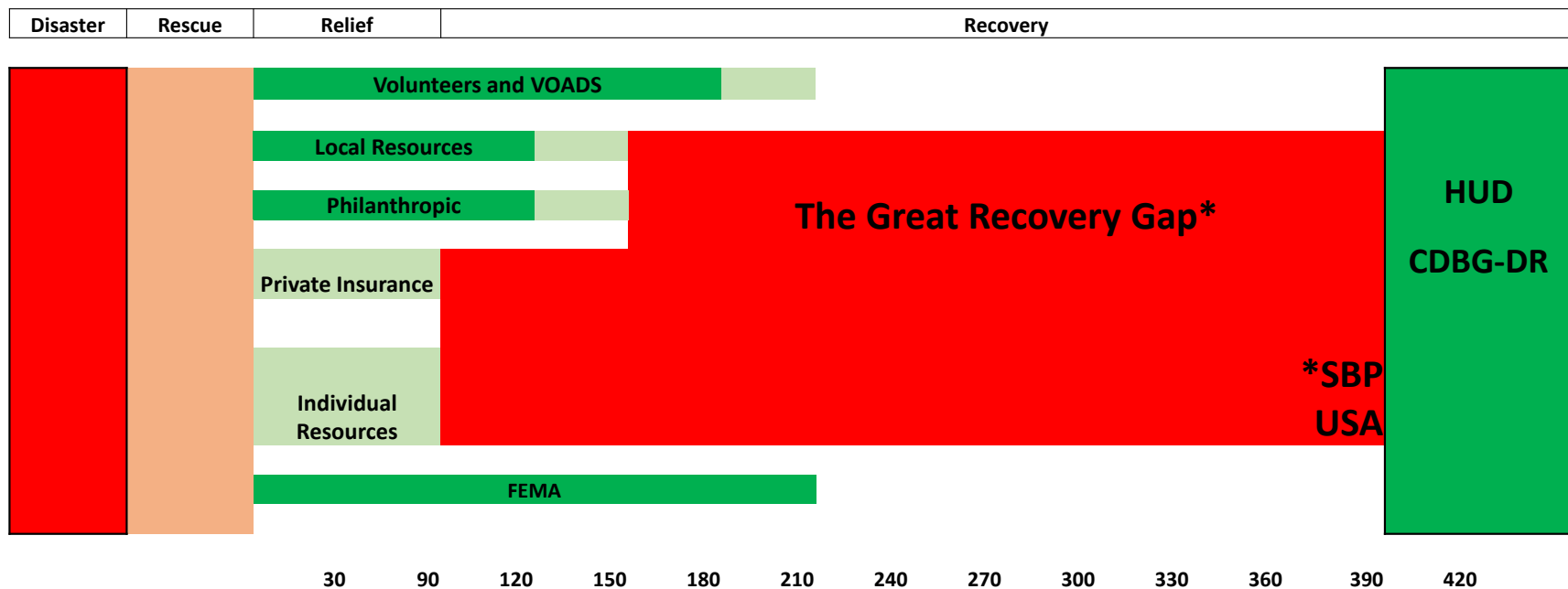
All of This is Costly, But . . .



Under the Best Circumstances, Recovery is Broken



In Eastern Kentucky, It's Really, Really Broken



The Human Cost

“Nothing good comes from being . . .”

- Displaced (camper/lodge)
- Doubled up
- In unsafe, flood-damaged home
- Homeless



Hard Decisions

While we wait on funding, people are making the best decisions they can in really, really hard circumstances.

- Setting new/used mobile homes where their old one washed away
- Converting storage sheds to makeshift tiny homes
- Staying in unsafe, flood-damaged home
- Paying rent/utilities they can't afford
- Leaving the region



State Funding

State funding could (should) bridge the great recovery gap.

State funding would speed up recovery and thus reduce the time between disaster and recovery.



Arguments Against

- Waiting to see what the federal government will do.
 - CDBG-DR is meant to be funding of last resort AFTER state has done what it can
 - CDBG-DR will not be available for months and months
 - Federal funds will not cover it all
 - Glad others didn't think like this
 - Kentucky should take care of its own
- We haven't spent all the philanthropic dollars
 - Philanthropic dollars are woefully inadequate – to house just the 250 families housed in camper/lodges will take well over \$25 million – at least 3 times current philanthropic dollars.
- You aren't ready to spend it now
 - Housing development takes planning and pre-development work, we can't even start that until we have funding commitments.



Other Explanations

- It's an election year
- Big surplus justifies cuts to income taxes



Highlights of AHEART Proposal

- Establish the Affordable Housing Emergency Action Recovery Trust Fund (AHEART) to be administered by Kentucky Housing Corporation
- Fund AHEART at \$150 million (from \$2 billion surplus) this year to address:
 - COVID related housing crisis especially in urban areas
 - Remaining unmet needs from western Kentucky tornadoes
 - Jump start flood recovery in east KY.



AHEART Will

Speed up recovery, reduce human suffering, and provide hope!

