



# **Loan Fund Impact Report Fiscal Year 2023**

# **Build Rural**

# Dear Friends,

The Loan Fund of the Housing Assistance Council (HAC) is bringing capital to some of the hardest to serve places in America. Across rural America, our financing supports the work of organizations building, preserving, and rehabilitating affordable homes. In fiscal year 2023 (October 2022 - September 2023), our Loan Fund provided \$31.4 million in financing through 34 loans—including 13 (37%) made to minority-led borrowers—to build, rehabilitate, or preserve 900 affordable homes. This represents a 31% increase in homes financed compared with FY2022. Nationwide, our investment in FY2023 will create or sustain an estimated 1,400 jobs.

Investing in the HAC Loan Fund ensures that even more rural communities can access the capital to overcome their greatest housing challenges and build a stronger, more prosperous future.



A handwritten signature in blue ink that reads "Emily".

A handwritten signature in blue ink that reads "David Lipst".



# FY23 At A Glance



34

LOANS CLOSED



\$31.4

MILLION

INVESTED IN RURAL  
COMMUNITIES



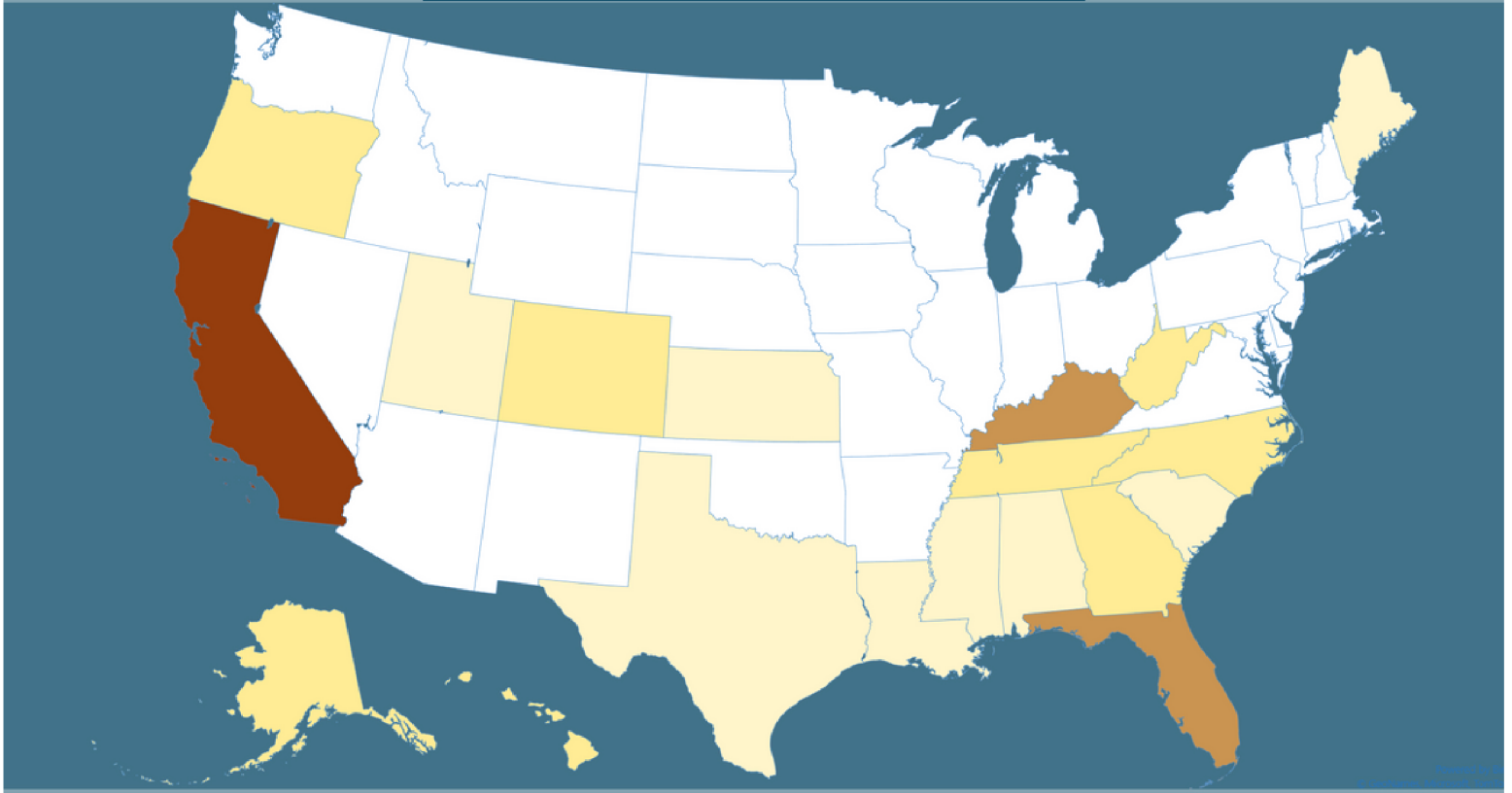
900

HOMES TO BE BUILT,  
REHABILITATED, OR PRESERVED

## WHERE WE LEND

Loans Closed per State FY23

Loans - 2 4





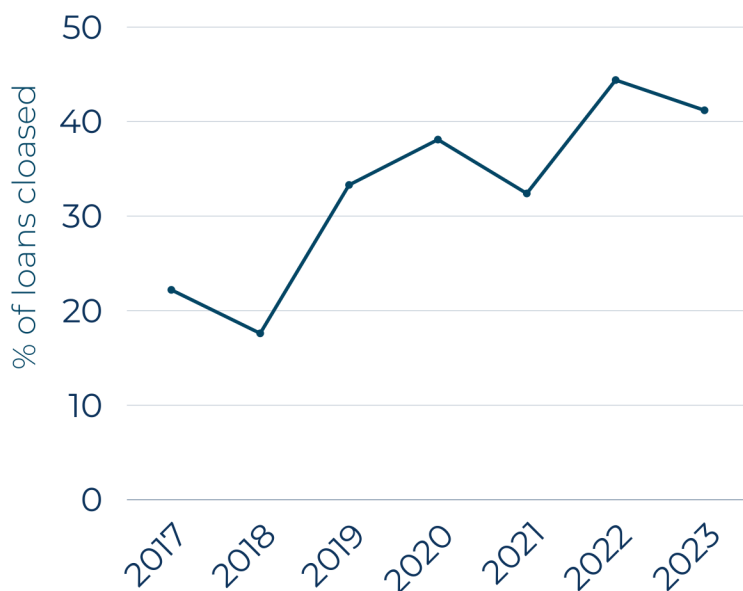
# Supporting Minority Developers & Communities Across Rural America

For decades, our Loan Fund has provided low-cost, flexible capital to underserved rural communities. In FY2023, we honed this focus with an emphasis on lending to minority-led housing developers, both nonprofit and for-profit. This fiscal year, our investment in these borrowers increased by 59%, from \$6.4 million to \$10.2 million. Plus, over 40% of our investment occurred in majority-minority census tracts.

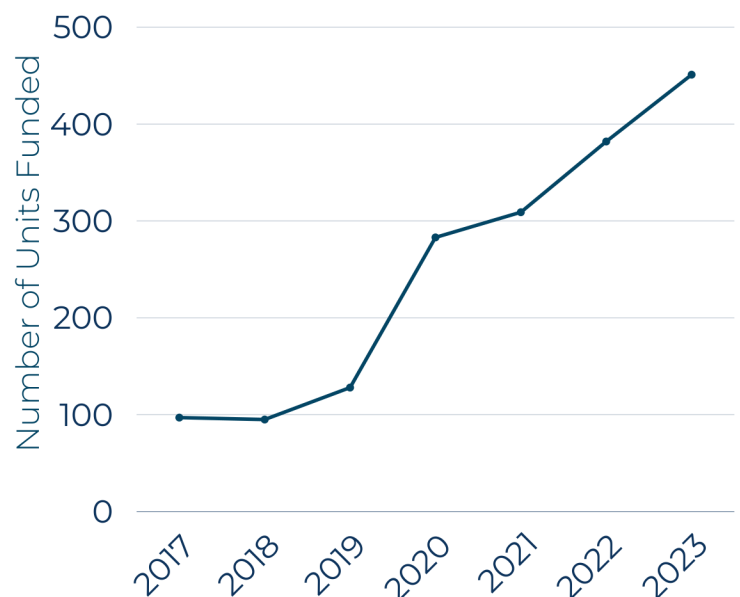
Our lending has helped minority-led organizations make a difference in their communities and build their financial and technical capacity to take on larger, more complex, more impactful projects.

## Deepening Our Commitment

**Loans Closed in Majority  
Minority Census Tracts**  
as percent of total loans



**Units Funded in Majority  
Minority Census Tracts**





## Louis Lukondi

Louis Lukondi is a Hispanic veteran officer of the U.S. Marine Corps who, with our help, began to invest in affordable housing in 2020. After his military service, Louis began a career in banking. When he saw a need for housing in Southern Colorado—where he has family ties—he decided to help.

We financed his first project, which brought ten new affordable homes to Fort Garland, Colorado, a small town which had seen no new homes built in a decade, despite rapid population growth. A year later, we also helped finance his second project: a 24-unit affordable housing development in rural Trinidad, Colorado, where almost half of renters are housing cost-burdened.



## Borrowers in Focus

In 2021, when Alamosa, Colorado, conducted a housing needs assessment, it found that 50% of renters were housing cost-burdened. In addition, only eight homes in the entire county were listed for sale at prices that would be affordable for households with incomes less than 120% of the area median. This made it incredibly difficult for working families to find affordable places to call home.

So, in May 2023, our Loan Fund invested over \$4 million to finance Louis's third project: East Village Apartments. When complete, East Village will include affordable workforce housing for 32 families in Alamosa. The homes will be within walking distance of grocery stores and will add much-needed quality, affordable homes to a county in which rents are increasing faster than wages and which has had a poverty rate above 20% for at least 30 years.



# Tunica County Community Development Coalition (TCCDC)

For some borrowers, HAC lending has helped establish and expand new lines of business. Tunica County Development Coalition (TCCDC) is a Community Housing Development Organization that has served Tunica County, Mississippi, since 1992. Located in the Mississippi Delta, Tunica County is a persistent poverty county. Since 2010, it has lost 45% of its jobs and was struck hard by the COVID-19 pandemic.

A Black-led and Black-controlled nonprofit, TCCDC had almost three decades of experience in housing development before beginning its self-help housing program in 2020. Under the “self-help” model, families earn “sweat equity” by working on their home, instead of making a traditional down payment. In FY2023, we lent TCCDC \$180,000 to support the development of 12 self-help homes by and for families with incomes less than \$35,000 annually.

## Borrowers in Focus

Already, TCCDC has found success in this new line of business: its first group of four families completed their homes in October 2023. With estimated monthly mortgages of just \$550, these homes will save families who move from average market-rate rental homes an estimated \$325 per month. To operate this new program, TCCDC has grown its staff. That’s why in August 2023, we approved our first-ever community facilities loan for TCCDC to acquire a 2,800 square foot office building. This ensures that they will have the space and stability to expand operations even further in the future.

**With estimated monthly mortgages of just \$550, families who move into TCCDC’s homes from average market rentals will save**

**\$325 per month**  
in housing costs





# Alexandria Development LLC

Financing from HAC can jumpstart an organization's housing development work. Alexandria Development LLC is a Black-owned for-profit developer created to promote community and economic development in rural communities, particularly Warrenton, Georgia, the seat of a persistent poverty county in which forty-four percent of residents live in poverty. It was founded and is led by Nancy Gresham-Jones (a seasoned affordable housing and community economic development professional), Willie Jackson (a prominent resident of Warrenton), and a group of friends and colleagues.



Alexandria Development LLC hadn't built new homes since 2005. With a HAC refinancing loan in 2021, Alexandria saved about \$7,500 per year in debt service costs on its three-unit rental property in Warrenton, allowing them to reinvest in completing deferred maintenance and expanding their financial capacity to invest in new development.

## Borrowers in Focus



That capacity was realized when they began construction of their multistage Hall Street Duplexes project. Beginning with two 2-bedroom homes, we invested \$125,000 to finance the project's construction.

After Phase I was completed in 2022, we invested a further \$344,000 so Alexandria could build four additional affordable rental homes. The nine units which Alexandria has built or refinanced with support from our Loan Fund will go a long way in improving the housing conditions of Warren County, where almost a third of homes are poor quality, over-crowded, or unaffordable.



<b>\$50,582,517</b>	<b>Outstanding Balance</b>
<b>\$4,114,056</b>	<b>Participations</b>
<b>\$3,423,011</b>	<b>Loan Loss Reserve</b>
<b>\$296,168</b>	<b>Delinquencies</b>
<b>130</b>	<b>Loans</b>



## Loan Portfolio

As of September 30, 2023



**3,691**  
Total Units,  
New and  
Preserved

## Our Borrowers

67%

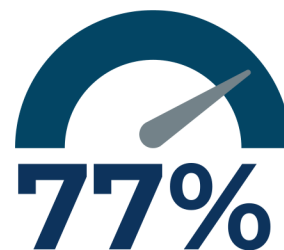
Non Profits

6%

Cooperatives

4%

Housing Authorities



Public Interest  
Organizations

## Investors

- U.S. Department of Agriculture
- U.S. Department of Housing and Urban Development
- U.S. Department of Treasury CDFI Fund
- American Express National Bank
- Opportunity Finance Network
- Morgan Stanley
- Wells Fargo Bank
- Capital One, National Association
- Woodforest National Bank
- Northern Trust
- Self-Help Enterprises
- U.S. Small Business Administration
- The Seed Fund
- Alexander Francis Payne Living Trust
- Margarita Shannon
- Byron and Lee Stookey
- Elaine Reily and Marilyn Stern TTEES
- Kathy Revocable Trust
- Sisters of St. Francis of Philadelphia
- Home Missioners of America
- Anne Johnston TTEE
- Moises and Teresa Loza
- Catherine Crosland and David Lipsetz
- Shonterria and Jermaine Charleston
- Eileen Neely and Richard Picardi
- Maria Luisa Mercado
- Gideon Anders
- Uwe and Karin Klusmann
- Leslie Strauss



## Loan Committee

Andrew Winter, Chair  
Natalie Maxwell, Vice Chair  
Laura Buxbaum  
Peter Carey  
Dave Castillo  
David Lipsetz  
Nick Mitchell-Bennett  
Naomi Scipio  
Mellor Willie

## Lending Team

Daniela Apolito  
Kristin Blum  
Tyson Carter  
Nicolas Derimais  
Alison Duncan  
Tatenda Dzvimbo  
Shane Anthony Floyd  
Matthew Haynes  
Jennifer Lam  
Eileen Neely  
Ainsworth Thompson