SUSTAINABLE TRANSFORMATION
Creating a bright future

- Transformed EHA’s business model to sustain affordable housing into the future
- All 888 units of public housing renovated and transformed from exclusive dependence on federal funding
- YouthBuild participants transformed into emerging leaders through education, service projects and construction of affordable housing
- Families transformed through progress towards goals while in the Family Self-Sufficiency Program
LETTER FROM THE EXECUTIVE DIRECTOR

It is with great honor that I present the 2018 Annual Report for the Evansville Housing Authority. Last year was a milestone that will go down in EHA’s history of accomplishments sure to benefit residents for generations to come. In a cooperative effort, EHA and Advantix leadership and staff worked together to seamlessly close the last phase of our transition to RAD after five years of planning and implementation. This organizational transformation represents all 888 units of public housing converting to project-based voucher funding, in addition to over $30 million being invested into infrastructures that make up EHA’s portfolio of quality affordable housing. However, EHA does not get to stop there – securing subsidy and repairing buildings is only the beginning. EHA continues to build capacity that will develop and manage additional affordable housing, as with our recent tax credit award for Evansville Townhomes. This project allows for us to partner with our non-profit organization, Advantix Development Corporation, to utilize over $7.6 million to preserve and rehabilitate 30 units of affordable housing and create 30 newly constructed units. While these are all great accomplishments in the housing industry, EHA is also committed to improving the quality of life for residents through services, self-sufficiency programs and connecting them with additional resources within the community.

As I extend thanks to our Commissioners, team members and corporate partners, I look forward to pursuing ways to enhance the lives of our residents within this growing community in 2019.

– Rick Moore, CEO

LETTER FROM THE MAYOR

On behalf of the City of Evansville, I am pleased to join the Evansville Housing Authority as it presents its 2018 Annual Report. With its initial tax credit approval in 2014 and the first groundbreaking ceremony having taken place in 2016, EHA was able to mark 2018 as the year to complete its transformation to HU D’s Rental Assistance Demonstration program. All 888 units of public housing were converted to the RAD program, which utilizes project-based vouchers for its subsidy rather than relying on diminishing appropriations through the federal government.

An important part of having a great city is preserving the availability of quality affordable housing. This is done by taking innovative approaches, such as RAD, to transform business models and remain steadfast in this ever-changing world around us. EHA was able to invest more than $30 million into improving its affordable housing properties by using low-income housing tax credits, as well as funds from private investors. It is encouraging to know that EHA will remain a viable and much-needed resource for our residents well into the future.

It is clear that the Evansville Housing Authority embraces the “E is for Everyone” concept as it connects, contributes, and celebrates the people of this community year after year. I encourage EHA’s leadership and staff to continue on their current path of sustainability, and I commend them on their dedication to make improvements that will ultimately benefit citizens of our great city.

– Mayor Lloyd Winnecke

CITY OF EVANSVILLE
RAD - The Year of Transformation

RAD Updates - RAD has had an extensive and positive impact on Public Housing in Evansville. As of November 1, 2018 the final 135 units of Public Housing were converted to RAD making a total of 888 units converted. After 5 years of planning and implementation, we are excited to see this milestone achievement come to fruition.

Project News - RAD IV finished construction rehab of all 194 units in the Fulton Square Apartments. The Fulton Square Apartment property is about 54% occupied and is in process of lease up. The remaining units will be 100% occupied by May of 2019.

In partnership with our not-for-profit affiliate, Advantix, Trailside Townhomes in Kokomo, IN began the due diligence process in 2018 and is expected to close in January 2019. Trailside Townhomes will consist of 45 newly constructed units of affordable lease purchase housing.

In partnership with our not-for-profit affiliate, Advantix, Corydon School Senior Lofts finished construction in December 2018 and began pre-leasing in October. The first move-ins will begin in January 2019, and there will be an open house in the spring. CSSL renovated the old Corydon High School into 25 new apartments and built 20 additional units of new construction on the hill behind the school.

Internal Growth and Transformation Advantix hired 6 new employees in 2018, which created 3 new positions for the company. New positions included an office/payables coordinator for the EHA and Advantix executive office and two construction superintendents; one for the RAD IV construction/rehab and one for upcoming projects in Kokomo, IN. Advantix was also able to maintain one employee who was formerly with EHA working in maintenance and affected by the RAD transition.
FAMILY SELF-SUFFICIENCY (FSS) PROGRAM: Transforming Families

The goal of the Family Self-Sufficiency (FSS) Program is to empower families to become self-sufficient with increased access to education, employment opportunities and referrals to other supportive services.

2018 was a year of great success and goal achievement for our FSS program with 9 graduates either transferring to our home ownership program or receiving escrow payments. The graduates have shown growth in income, employment status, education and housing. Many of our graduates saw job promotions, pay raises and new opportunities become available through the support of EHA and the FSS team.

During the 2018 year, over 50 new participants were recruited for the Family Self-Sufficiency (FSS) Program from various sources. Participants were recruited from EHA interest forms, walk-ins, and referrals from Section 8 and the RAD program. Our FSS Program team presented at each of the EHA properties in 2018 to educate possible participants how the Family Self-Sufficiency program could assist them in becoming self-sufficient. FSS is transforming lives within our community one family at a time!

FSS 2018 in review

- 9 Program Graduates
- 50 new participants recruited in 2018
- Participants increased income by combined total of $73,347
- 14 Families on Homeownership Program
- Total Escrow Payout: 22,406.13
YOUTHBUILD: Transforming Individuals

When many of our YouthBuild participants are asked why they decided to join the program during their initial assessment, we often hear the response, “I want to better my life”. Advancements and growth in our staff, offices and funding provide our program the opportunity to help these young people succeed in life. Sincere hard work of staff and community partners who come on board make this possible. We know that we are making an impact from the many visits and calls we receive from current and past program participant’s expressing appreciation for all that YouthBuild has done to help them get their lives in order.

Several of our students played a part in construction and completion of Mickey’s Kingdom, a state-of-the-art accessible playground along downtown Evansville’s riverfront. Our students also participated in preparing and serving lunch at Evansville Christian Life Center, and took part in United Way Day of Caring at the Salvation Army.

What is YouthBuild? YouthBuild is an education and training program with a strong pre-apprenticeship component that helps at-risk youth complete high school or state equivalency degree programs, earn industry-recognized credentials for in-demand occupations, and undergo training to build housing for low-income or homeless individuals and families in their communities.

The City of Evansville Believes in YouthBuild: The City of Evansville is committed to YouthBuild and its participants. The City provided funds for YouthBuild to build a 3 bedroom ADA compliant home located at 200-202 Sweetser. YouthBuild participants, alongside Evansville Housing Authority’s construction team, are looking forward to the construction of this new home in the upcoming months.

CDBG Funds were also used in 2018 to purchase office supplies, pay salaries for the Program Assistant and the Mentor, and pay for contractual services such as phone, fuel, and office equipment.

YouthBuild By The Numbers: 2018 was a year of life transformation for many of our YouthBuild participants! YouthBuild saw 5 participants complete their High School Equivalency Diploma. Currently, 15 students are enrolled in our YouthBuild program and we hope to see them all achieve their High School Equivalency in the upcoming months. Our Jobs Developer was able to assist in enrolling one student in college, and was successful in obtaining jobs for several of our students.

Staffing and Location Transformation: George Flowers, the Youthbuild Program Manager retired in early 2018. TaWanna Copeland was brought on as the new Program Manager. TaWanna’s experience and dedication to the program, combined with her passion for participant success, will help YouthBuild transform young lives in our community. Other staffing additions included a Program Assistant, Case Manager, Academic Instructor, and a Job Developer. The YouthBuild program also has a new office space, currently located at 315 S.E. Martin Luther King Jr. Boulevard.

Business News: In 2017 YouthBuild was awarded a $1.1 million award from the Department of Labor (DOL) in support of our YouthBuild Program. This grant will allow YouthBuild Staff to work tirelessly to assist young people ages 16-24 work toward their High School Equivalency Diploma and provide stipends for students while they are on the worksite.
TRANSFORMATION CHECK-IN

EHA Housing Choice Voucher Program
Experiences Transformative Growth

EHA was notified in Spring 2018 that it had received an HCV-SEMAP High Performer score once again for the 2017 calendar year. This scoring was a testament to the HCV staff focusing on effectively managing the waiting list and completing timely re-certifications and inspections.

In April 2018, EHA opened it’s waiting list for the first time since 2014. Over a period of three days, the agency collected over 2200 applications. The EHA team placed an emphasis on entering applications swiftly with all applications now in our working database, allowing for more effective tracking and efficient communication with applicants. More importantly, the agency also started pulling names from this waiting list in 2018.

EHA’s HCV Staff participated in a three-day web based training that focused on HCV rental calculations. The training was especially beneficial to new staff members who joined the agency in 2018 and helped to give them a better understanding of how income and allowances are calculated.

One of the biggest surprises of 2018 was having to replace the entire Inspection Department with new staff. Within 6 months, both are now HQS Certified and continue to be an intricate part of the daily operations. EHA also made 3 additional hires in 2018, including a receptionist, a Housing Specialist, and a Program Assistant.

Former Inspector, Robert Esters, worked for the Evansville Housing Authority in a variety of positions including Maintenance Foreman, Maintenance Director, and Equal Opportunity Officer. When he retired in the Summer of 2018, he was the Housing Choice Voucher Program’s HQS Inspector. Robert was respected by all staff members for his housing knowledge and his professionalism. He always displayed a calm demeanor during good and bad times and was committed to serving the best interests of the Agency. Robert’s presence and knowledge will be missed, but the agency is appreciative for his 34+ years of service.

PROJECT BASED VOUCHERS:

In exciting news, all 888 units of public housing have been converted to RAD. This has allowed EHA to provide many new families with quality, affordable housing over the past year. This transformation has been the culmination of over five years of planning and implementation. This conversion ultimately secures EHA’s ability to provide affordable housing well into the future for our residents and community as a whole.

Project Based Voucher Inspections are contracted out to local third party inspectors and Midwest Inspections. The EHA inspections department works with the American Apartment Management Company team to schedule and notify residents of annual inspections. All PBV units are inspected initially before move in and on a biennial schedule going forward.
Financial Report
Evansville Housing Authority unaudited statements of revenues, expenses and changes in net as Finance sets as of December 31, 2018.

<table>
<thead>
<tr>
<th>OPERATING REVENUES</th>
<th>LOW RENT</th>
<th>SECTION 8</th>
<th>OTHER PROGRAMS</th>
<th>BLENDED COMPONENT UNIT *</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dwelling Rent</td>
<td>264,688</td>
<td>-</td>
<td>-</td>
<td>181,578</td>
<td>446,266</td>
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<tr>
<td>HUD Subsidy &amp; Grant Income</td>
<td>880,304</td>
<td>10,503,316</td>
<td>1,190,250</td>
<td>186,476</td>
<td>12,760,346</td>
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<tr>
<td>Earned Section 8 Admin. Fees</td>
<td>-</td>
<td>1,032,300</td>
<td>-</td>
<td>-</td>
<td>1,032,300</td>
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<tr>
<td>Developer Fee Income</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,961,098</td>
<td>1,961,098</td>
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<tr>
<td>Construction Revenues</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>14,255,020</td>
<td>14,255,020</td>
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<tr>
<td>Interest Income</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>11,123</td>
<td>11,123</td>
</tr>
<tr>
<td>Other Income</td>
<td>17,531</td>
<td>17,469</td>
<td>1,435,589</td>
<td>22,178</td>
<td>1,492,767</td>
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<tr>
<td><strong>Total Income</strong></td>
<td><strong>1,162,523</strong></td>
<td><strong>11,553,085</strong></td>
<td><strong>2,625,839</strong></td>
<td><strong>16,617,473</strong></td>
<td><strong>31,958,920</strong></td>
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<table>
<thead>
<tr>
<th>EXPENDITURES</th>
<th>LOW RENT</th>
<th>SECTION 8</th>
<th>OTHER PROGRAMS</th>
<th>BLENDED COMPONENT UNIT *</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing Assistance Payments</td>
<td>840,958</td>
<td>10,785,353</td>
<td>-</td>
<td>-</td>
<td>11,626,311</td>
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<tr>
<td>Administrative Salaries and Benefits</td>
<td>65</td>
<td>566,962</td>
<td>553,536</td>
<td>531,696</td>
<td>1,652,259</td>
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<tr>
<td>Construction costs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>12,138,852</td>
<td>12,138,852</td>
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<tr>
<td>Other Administration</td>
<td>132,925</td>
<td>407,091</td>
<td>233,147</td>
<td>657,859</td>
<td>1,431,022</td>
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<tr>
<td>Utilities</td>
<td>70,959</td>
<td>-</td>
<td>1,489</td>
<td>37,823</td>
<td>110,271</td>
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<tr>
<td>Maintenance Labor &amp; Materials</td>
<td>135,712</td>
<td>2,801</td>
<td>24,688</td>
<td>87,491</td>
<td>250,692</td>
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<td>Insurance and Payment in Lieu of Taxes</td>
<td>53,012</td>
<td>24,005</td>
<td>15,615</td>
<td>132,998</td>
<td>225,630</td>
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<tr>
<td>Contract &amp; Consulting Costs</td>
<td>113,511</td>
<td>53,229</td>
<td>36,014</td>
<td>45,408</td>
<td>248,162</td>
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<tr>
<td>Interest Expense/RAD financing</td>
<td>-</td>
<td>-</td>
<td>39,421</td>
<td>-</td>
<td>39,421</td>
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<tr>
<td>Development costs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>147,537</td>
<td>147,537</td>
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<tr>
<td><strong>Total Expenditures</strong></td>
<td><strong>1,347,142</strong></td>
<td><strong>11,839,441</strong></td>
<td><strong>903,910</strong></td>
<td><strong>13,779,664</strong></td>
<td><strong>27,870,157</strong></td>
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<table>
<thead>
<tr>
<th>Net Income</th>
<th>LOW RENT</th>
<th>SECTION 8</th>
<th>OTHER PROGRAMS</th>
<th>BLENDED COMPONENT UNIT *</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>(184,619)</td>
<td>(286,356)</td>
<td>1,721,929</td>
<td>2,837,809</td>
<td>4,088,763</td>
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<tr>
<td>Less Depreciation Expense</td>
<td>349,518</td>
<td>95</td>
<td>7,300</td>
<td>152,894</td>
<td>509,807</td>
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<tr>
<td><strong>Income (Loss) After Depreciation</strong></td>
<td><strong>(534,137)</strong></td>
<td><strong>(286,451)</strong></td>
<td><strong>1,714,629</strong></td>
<td><strong>2,684,915</strong></td>
<td><strong>3,578,956</strong></td>
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<tr>
<td>Capital/Equity Transfers</td>
<td>(4,502,316)</td>
<td>(1,894,799)</td>
<td>6,397,115</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Prior Period Adjustment ASC 606</td>
<td>-</td>
<td>-</td>
<td>(102,000)</td>
<td>(102,000)</td>
<td>-</td>
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</table>

<table>
<thead>
<tr>
<th>Net Assets</th>
<th>LOW RENT</th>
<th>SECTION 8</th>
<th>OTHER PROGRAMS</th>
<th>BLENDED COMPONENT UNIT *</th>
<th>TOTAL</th>
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</thead>
<tbody>
<tr>
<td>Beginning of Year</td>
<td>$5,036,453</td>
<td>$141,911</td>
<td>$23,482,890</td>
<td>$3,176,537</td>
<td>$31,837,791</td>
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<tr>
<td>End of Year</td>
<td>$0</td>
<td>$(144,540)</td>
<td>$23,200,720</td>
<td>$12,258,567</td>
<td>$35,314,747</td>
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</tbody>
</table>

* Note: This report includes Advantix as a blended component unit, but no discrete component units are reported.

This financial statement has not been audited, reviewed or compiled by independent auditors. This statement has been prepared internally and has omitted certain disclosures in intra-company eliminations required by generally accepted accounting principles in the United States of America and are subject to adjustment and additional disclosures pending an independent audit.
Locations

1. CALDWELL HOMES
   736 Cross Street
   Evansville, IN 47713
   812.428.8527

2. FULTON SQUARE
   APARTMENTS
   1328 Dresden
   Evansville, IN 47710
   812.428.8516

3. BUCKNER TOWER
   717 Cherry Street
   Evansville, IN 47713
   812.428.8521

4. KENNEDY TOWER
   315 SE Martin Luther King Jr. Blvd.
   Evansville, IN 47713
   812.428.8520

5. JOHN CABLE APARTMENTS
   1111 Cherry Street
   Evansville, IN 47713
   812.402.5993

6. SCHNUTE APARTMENTS
   1030 West Franklin Street
   Evansville, IN 47710
   812.428.8531

7. WHITE OAK MANOR
   509 North St. Joseph Avenue
   Evansville, IN 47712
   812.428.8532

8. EVANSVILLE HOUSING
   AUTHORITY
   402 Court Street, Suite B
   Evansville, IN 47708
   812.428.8500

9. HOUSING CHOICE VOUCHER
   PROGRAM
   411 SE 8th Street
   Evansville, IN 47713
   812.428.8548

10. PROJECT BASED
    VOUCHER PROGRAM
    411 SE 8th Street
    Evansville, IN 47713
    812.428.7786

11. FSS PROGRAM
    411 SE 8th Street
    Evansville, IN 47713
    812.428.7786

12. YOUTHBUILD
    315 SE Martin Luther King Jr. Blvd.
    Evansville, IN 47713
    812.909.1962

Equal Housing Opportunity Statement: We are pledged to the letter and spirit of U.S. policy for the achievement of equal housing opportunity throughout the Nation. We encourage and support an affirmative advertising and marketing program in which there are no barriers to obtaining housing because of race, color, religion, sex, handicap, familial status, national origin or any other classification protected by applicable federal, state or local law.