



Community Investment Bulletin

FEDERAL HOME LOAN BANK OF INDIANAPOLIS

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New Website, 2016 AHP Implementation Plan, Training Guide and Workshop Dates Bulletin No. 1513 December 18, 2015

New Website is Live

The Federal Home Loan Bank of Indianapolis (FHLBI) is proud to unveil the new FHLBI.com. The new website has an enhanced search engine, a [central resource](#) for forms, guides, and worksheets, industry-specific pages as well as one-click access to information on the bank's products and services. You can find general information about the Affordable Housing Program (AHP) competitive grant process and Homeownership initiatives via the [AHP section](#) of the new website. We invite you to peruse the website and become familiar with the new FHLBI.com.

PLEASE NOTE: If you have established bookmarks or shortcuts to certain pages on the old version of the website, you will have to re-establish those bookmarks as the file names and locations have changed. The domain www.fhlbi.com has remained the same.

2016 AHP Implementation Plan

FHLBI is pleased to announce that the Board of Directors approved the 2016 AHP Implementation Plan at their November 19, 2015 meeting. The entire Implementation Plan is posted to our website at www.fhlbi.com. Key changes to both the Competitive AHP and the Homeownership Initiatives Programs (HOP, NIP and AMP) are described below.

Competitive AHP Application Training Guide

The following is a detailed explanation of deadlines, requirements and changes made to the AHP Application Process. For questions or comments, please contact FHLBI's Community Investment Department with any questions by calling 800-688-6697.

Application funding rounds

For 2016, we will hold one funding round with an April 27, 2016 deadline for applications and an August 3, 2016 board award approval.

Minimum Eligibility Requirements

- For owner-occupied housing, we reference the HUD-1 Settlement Statement / Closing Disclosure document as mortgage closing forms are transitioning to new versions.
- For owner-occupied housing, the purchase price of the home may not exceed the appraised value. An "As Is" appraisal must be completed no more than three months prior to closing by an independent certified real estate appraiser. For properties where a Habitat for Humanity affiliate originates the home mortgage, valuation of the property is the appraised value as noted above. The Homebuyer down payment requirement is adjusted net of the value of the owner's sweat equity in cases where Habitat for Humanity is the mortgagee.

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- For rental housing, we added clarifying sections on market demand and project site standards to improve transparency and clarify process requirements. This should reduce some frequently asked questions.
 - Some items in feasibility guidelines (member experience with the sponsor, sponsor capacity and readiness to proceed) are actually threshold requirements so they are moved to this section.
 - We clarified the information to be included in the equity investor letter submitted in the application for projects with a financial structure that includes Low Income Housing Tax Credits. This should reduce the need for questions and ease the analysis of the AHP gap while scoring.
 - Projects awarded in 2016 will have one, two and three year deadlines in December of 2017, 2018 and 2019.

Scoring Guidelines

We have added clarifying statements about application completeness and the requirements of a project narrative.

- Donated Property – Up to five points are available in this category. Projects that have 100% of the properties conveyed to the project by the federal government or any agency or instrumentality will receive 1 point. Projects meeting the one point criteria that are undergoing a Rental Assistance Demonstration conversion will receive an additional point for a possible two points.
- Sponsorship by a not-for-profit organization or government entity – We added clarifying statements to be more transparent about the requirements for a not-for-profit to receive the one, four or seven points possible under this category.
- Housing for the Homeless – Points are increased from five to six to match the points available for permanent supportive housing projects.
- First District Priority – Total First District Priority points are reduced from 19 to 17 with permanent supportive housing and special needs housing reduced from eight to six points to make points available for broader initiatives. The Aging in Place category is renamed Aging in Community to align with housing initiatives at the state level. We encourage the use of universal design features best suited to the target population.
 - Six points are available to projects where 100% of the units are occupied by persons who are 62 or older and for which supports are coordinated and planned on-site using an active person centered planning process.
 - Two points are available for projects where at least 80% of the units are occupied by one person age 55 or older and for which services are provided on a referral basis off-site and minimal supportive service costs are incurred.
- Second District Priority – Total Second District Priority points are increased from 10 to 13.
 - *Comprehensive Community Development* – This category is being replaced since we are seeing a bias toward Indiana projects and the state’s Stellar Communities initiative and capacity building available to communities participating in this initiative.
 - *Desirable Sites Initiative* – up to five points are available for projects that demonstrate proximity / access to public transportation and amenities.
 - Proximity to transportation – two points are available for projects located within two blocks of a public transportation stop OR with access to no- or low-cost transportation services available to all residents.
 - Site Amenities – three points are available for projects located within 1 mile of any five of the listed amenity categories.
 - *Small Projects* – three points are available for projects that have less than 25 units.

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- Community Stability – Points are reduced from 13 to 11.
 - *Stabilization initiative* – five points are available for projects involving the acquisition and/or rehabilitation of property wherein at least 75% of the proposed land or property meets any combination of the following four classifications:
 - foreclosed property-improved land with housing structure
 - vacant housing structure
 - abandoned housing structure
 - vacant land where housing was razed in the preceding 7 years
 - *Building Green Initiative* – up to six points are available under this initiative. Projects can earn points in this category by receiving a qualifying Green Certification (six points) or by incorporating at least six of the listed Green Standards (three points).
 - Tie-Breaking Methodology – With the deletion of comprehensive community development as a scoring category, we reordered the tie-breaking criteria as follows:
 - Readiness
 - Subsidy per Unit
 - Member Involvement
 - Green Building
 - Suspension and debarment – We added more detail from our internal procedures on suspension and debarment.

Attachments

- Attachment A: Definitions - We added definitions of Applicable Annual Federal Rate and Rental Assistance Demonstration.
- Attachment B: Feasibility Guidelines - Rental project development budget and operating pro-forma guidelines were updated to reflect current market activity.
- Attachment C: Monitoring Procedures - To streamline long term monitoring, in cases where 100% of the units require sampling and there has been little tenant turnover, and the household income has undergone a previous FHLBI sampling review, the sample size will be limited to those households that qualified and moved in since the last sampling occurred.
- Attachment D: Income Guidelines
 - As required by regulation, the Implementation Plan states the standards used for determining income eligibility. Eligible households must have projected annualized incomes of less or equal to 80% of Area Median Income (AMI) according to the HUD AMI guidelines for the specified year.
 - Detailed income guidelines for Competitive AHP and Homeownership Initiatives are available on the public website.
 - We reconsidered some of our guidelines in an effort to mitigate unintended consequences. We will relax the similar line of work restriction when reviewing a HOP applicant's one year employment requirement.
- Attachment E: Retention Agreements and Attachment F: AHP Agreement - Attachments E and F are updated to include the most recent Retention Agreements and AHP Agreement.
- Attachment G: Homeownership Opportunities Program (HOP) Guidelines
 - We relaxed the requirement that HOP funds may not be used to purchase a property that includes or is intended at the time of purchase to include a home-based business.
 - Some items in feasibility guidelines (homebuyer's mortgage loan rate, term and amortization) are also recipient requirements so they are included in Attachment G as well.
 - The homebuyer may not utilize a construction to permanent loan product to finance the purchase of the property. The property must be an existing dwelling.
 - HOP transactions will be monitored semi-annually rather than quarterly.
- Attachment I: Accessibility Modifications Program (AMP) Guidelines - We relaxed the standard that households must have a documented customer relationship with the FHLBI member.

2016 Competitive AHP Training Guide and Application Forms

In addition to the AHP Implementation Plan, we posted the 2016 Competitive Training Guide and resource materials. FHLBI's Community Investment Staff offers a variety of training opportunities for competitive AHP applicants. Competitive applications are due April 27, 2016 at 5:00 pm EDT. The 2016 Competitive AHP Training Guide contains specific information on webinars, helplines, technical reviews and training on demand opportunities in addition to links to forms. Application forms will be available in late January on the FHLBI website.

2016 Community Investment Workshops

The Community Investment Staff will offer a series of workshops throughout our district in March 2016. At the workshops, you will learn about program availability for 2016 competitive AHP, Homeownership Initiatives and community lending programs. Additionally, program users will present testimonials and best practices to assist you in planning your next steps for using FHLBI programs in 2016. We encourage you to take advantage of this unique opportunity for FHLBI members and affordable housing developers to network and share ideas. Registration opens in early January 2016 for the following dates and locations. In January, you may register via the [Events page](#) on fhlbi.com:

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| March 2 | Indianapolis, IN |
| March 9 | Grand Rapids, MI |
| March 16 | Gaylord, MI |
| March 17 | Troy, MI |
| March 23 | Evansville, IN |
| March 24 | South Bend, IN |

The 2016 Community Investment workshops will provide a program overview and best practices but will not include the training required for members using the Homeownership Initiatives (HOP, NIP, AMP). We will provide the mandatory training for the Homeownership Initiatives via webinar at a later date.

We are looking forward to a successful 2016 program year and thank you for your continued dedication. Again, please contact FHLBI's Community Investment Department with any questions by calling 800-688-6697.

Sincerely,



MaryBeth Wott

First Vice President and Community Investment Officer