



COMMUNITY INVESTMENTS

Bulletin

2021 Affordable Housing Program Implementation Plan

Bulletin No. 2101

January 25, 2021

During the January FHLBank Indianapolis Board of Directors meeting, the directors approved the [2021 Affordable Housing Program \(AHP\) Implementation Plan](#), which is now posted on our website.

Changes were made to the Competitive Affordable Housing Program (AHP) application, minimum eligibility requirements, AHP Scoring, definitions, feasibility guidelines, monitoring guidelines, agreements, Homeownership Opportunities Program, Neighborhood Impact Program, and Accessibility Modification Program. An overview of the changes made to the programs are described below.

For more information about the 2021 round of community investment products, please consider attending one of our [2021 Community Investment and Affordable Housing Workshops](#) this March. Due to the ongoing COVID-19 pandemic, this year's workshops will be held online over Zoom. The workshops will be separated by subject area. If you cannot make one of our live sessions, the recorded sessions will be available to watch on our website. Registration invitations will be sent via email and will be available on our website by mid-February.

Homeownership Initiatives (HOP, NIP, and AMP)

Wednesday, March 24
2:00 – 3:30 p.m.

Affordable Housing Program (AHP)

Tuesday, March 30
2:00 – 3:30 p.m.

Community and Economic Development (Community Mentors, Elevate, CIP, and Catalyst)

Thursday, April 1
2:00 – 3:30 p.m.

Competitive Affordable Housing Program (AHP)

2021 Applications

- Pre-application form due by June 18, 2021
- Applications due July 30, 2021
- Awards approved November 18, 2021

Minimum Eligibility Requirements

Owner-Occupied Housing includes the down payment and closing costs of a new construction owner-occupied project for very low-, low- or moderate-income households and the rehabilitation of existing owner-occupied housing for very low-, low-, or moderate-income households.

Rehabilitation of owner-occupied housing

- Maximum AHP subsidy per unit is \$25,000
- Demand demonstrated through waiting list of qualified homeowners
- Eligible repairs restricted to NIP and AMP repairs as well as flooring, foundation, plumbing, and electrical repairs

Readiness to Proceed timelines have been eased since requiring project completion within two years could be challenging in our current environment.

Competitive Affordable Housing Program (AHP) Scoring

Donated Property (up to 5 points) – Projects that have a minimum of 20% of the total units or land area wherein ownership is obtained through a charitable donation within the preceding 10 years or conveyed at a discounted price (such as a discount from the fair market value (FMV) of at least 80%.

Nonprofit sponsorship (up to 7 points) – updated to match regulation.

Targeting (up to 20 points) – no changes.

Underserved Communities and Populations:

- **Housing for the Homeless (up to 5 points)** – updated to reflect regulation; removed suggested best practices that are not required.
- **Special Needs (up to 5 points)** - The financing of housing in which at least 20% of the eligible units are reserved for households with specific special needs, such as: The elderly; persons with disabilities; formerly incarcerated persons; persons recovering from physical abuse or alcohol or drug abuse; victims of domestic violence, dating violence, sexual assault or stalking; persons with HIV/AIDS; or unaccompanied youth; or the financing of housing that is visitable by persons with physical disabilities who are not occupants of such housing.
- **Rural Housing (3 points)** – no changes.
- **Opportunity/Income Integrated Targeting <30% AMI (up to 3 points)** – no changes; moved integrated targeting and rental subsidy to other scoring categories.

Creating Economic Opportunity (up to 5 points)

- **Integrated Targeting** – projects located in a census tract(s) where the median annual income meets or exceeds 100% of the area median income (AMI). To qualify under this scenario 100% of the project units must be located in such census tracts. OR Projects in which 20% or more of the units are targeted to households earning more than 80% of the AMI.
- **Promotion of Empowerment** – removed because this is no longer a required scoring category.

Community Stability (7 points) – streamlined requirements, updated preservation section to match the regulation, and added owner-occupied rehabilitation due to the needs of the district and strong demand for NIP and AMP.

2021 District Priorities

- **Member Financial Involvement (up to 8 points)** – streamlined requirements, eliminated tiered structure for permanent financing, and added LIHTC investment.
- **Desirable Sites (up to 8 points)** – streamlined requirements and focused points on proximity to transportation and access to healthy food.
- **Readiness to Proceed (up to 7 points)** – eliminated tiered points depending on whether 85% or 91% of funding sources are committed, streamlined requirements including elimination of two-year construction completion requirement if points received, and differentiated documentation required for 9% and 4% LIHTC financing.

- **Rent Subsidy (2 points)** – moved from other scoring section.
- **AHP Subsidy Per Unit (up to 15 points)** – no changes

Definitions

- Updated or added definitions for the following:
 - Owner-occupied (updated)
 - Recovery Housing (removed)
 - Special Needs Populations (updated)
 - Visitable (added)

Feasibility Guidelines

- The total allowed for developer, guaranty, and consultant fees was increased to \$1.5 million to better align with MSHDA and IHCD guidelines.

Monitoring Guidelines

- No substantive changes.

Agreements

- Sample agreements are provided.

Homeownership Opportunities Program (HOP)

- Maximum subsidy per household is \$5,000 regardless of whether a member financial institution originates the mortgage. Subsidy reduced due to a lower allocation in 2021.
- Member maximum reduced to \$300,000 given decrease in per household amount.
- Other language streamlined, clarified, or emphasized to reduce confusion, match regulations, or match HUD definitions.

Neighborhood Impact Program (NIP)

- Language streamlined, clarified, or emphasized to reduce confusion.

Accessibility Modifications Program (AMP)

- Maximum subsidy per household is \$10,000 and was reduced due to a lower allocation in 2021.
- Added exterior steps leading to entrance of the home as an eligible modification.
- Language streamlined, clarified, or emphasized to reduce confusion.

We look forward to a successful 2021 program year and thank you in advance for your continued dedication. Please contact the FHLBank Indianapolis Community Investment Department with any questions by calling 800.688.6697.