

Competitive Affordable Housing Program (AHP)



 FHLBank INDIANAPOLIS	BUILDING PARTNERSHIPS. SERVING COMMUNITIES.
DATE: 2020	PRESENTED BY: Mike Recker, AHP Portfolio Manager

Affordable Housing Program (AHP)

THE BASICS



- Provides direct grants for the acquisition, rehabilitation, or construction of affordable housing.
- Only FHLBI members may apply for AHP grant funding.
- Maximum grant is \$500,000.
- Project sponsors are housing developers (either for profit or nonprofit) that partner with an FHLBI member to complete the project.



AHP: Competitive grants awarded to FHLBI members to support the creation of rental and homeownership opportunities for low- and moderate-income households.

Highlights of 2019 Program Year



▶ **Competitive AHP**

- 57 applications received
- Funded 40 projects (5 alternates)
- Total of \$16.2 million
- Creating 1,344 affordable units



Flexible Development Funding Source

LIMITED TO HOUSING



- **Eligible Project Types**

- Single family - single or scattered-site
- Multi-family - single or scattered-site
- Domestic violence shelters
- Homeless and emergency housing shelters
- Transitional housing
- Permanent supportive housing
- Group homes and congregate living plans

- **Ineligible Project Types**

- Nursing homes
- Assisted living facilities
- Echo or cottage housing units for the elderly
- Commercial development
- Market-rate housing

**Grants of up to
\$500,000 per
project!**

AHP – What can it be used for?

ELIGIBLE PROJECT COSTS



- Eligible Project Costs

- Acquisition
- Hard Construction Costs
 - New Construction
 - Rehabilitation
 - Infrastructure & Site Work
 - GR, P, & O
- Soft costs (limited to 20% of AHP)
 - Architect/engineering fees
 - Construction loan interest
 - Survey
 - Developer/consultant fees
- Homebuyer down payment/closing costs
- Owner-occupied rehabilitation



- Ineligible Project Costs

- Contingency funds
- Operational funding
 - Service/program expense
- Administrative funding
- Funding for reserves
 - Operating
 - Rent-up
 - Replacement
- Relocation expenses
- Certain fees
 - Processing
 - Investor services
 - Asset management

Eligibility Thresholds

MINIMUM REQUIREMENTS



- **Thresholds**

- Need for subsidy
- Readiness to proceed
- Reasonable & realistic
- Capacity
- Minimum requirements for targeting
- Housing costs must be affordable
 - *Incomes must be validated with third-party documentation*
- AHP subsidy must be used for eligible purpose
- AHP subsidy per unit limit is \$50,000
- Demonstrated market need for housing type



AHP Scoring Summary - 2020



- 5 pts Donated Property
- 7 pts Non-Profit Sponsorship
- 20 pts Targeting
- 5 pts Housing for Homeless **New Changes in 2020**
- 8 pts Empowerment Initiatives
- 8 pts Member Involvement
- 3 pts Rural Housing **New Changes in 2020**
- 9 pts Opportunity Targeting
- 8 pts Desirable Sites **New Changes in 2020**
- 5 pts Readiness to Proceed
- 15 pts Subsidy per Unit
- 7 pts Community Stability **New Changes in 2020**

Roles & Expectations

MEMBER CONSIDERATIONS



- Community Needs
- Member goals
- Understanding the AHP requirements/expectations
- Partnering with sponsors
- Level of financing to the project
- Project oversight during construction and throughout the retention period

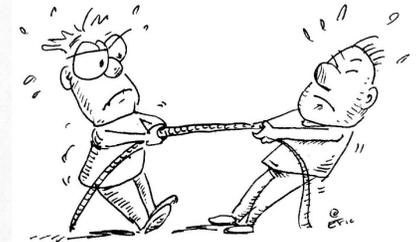


Roles & Expectations

SPONSOR CONSIDERATIONS



- Fulfill a need or mission
- Partnering with members
- Inform the member and FHLBI when things change
- Assemble a well-documented, realistic application
- Prepare and assemble well documented disbursement requests and compliance reports



The Mercantile

ALEXANDRIA, IN



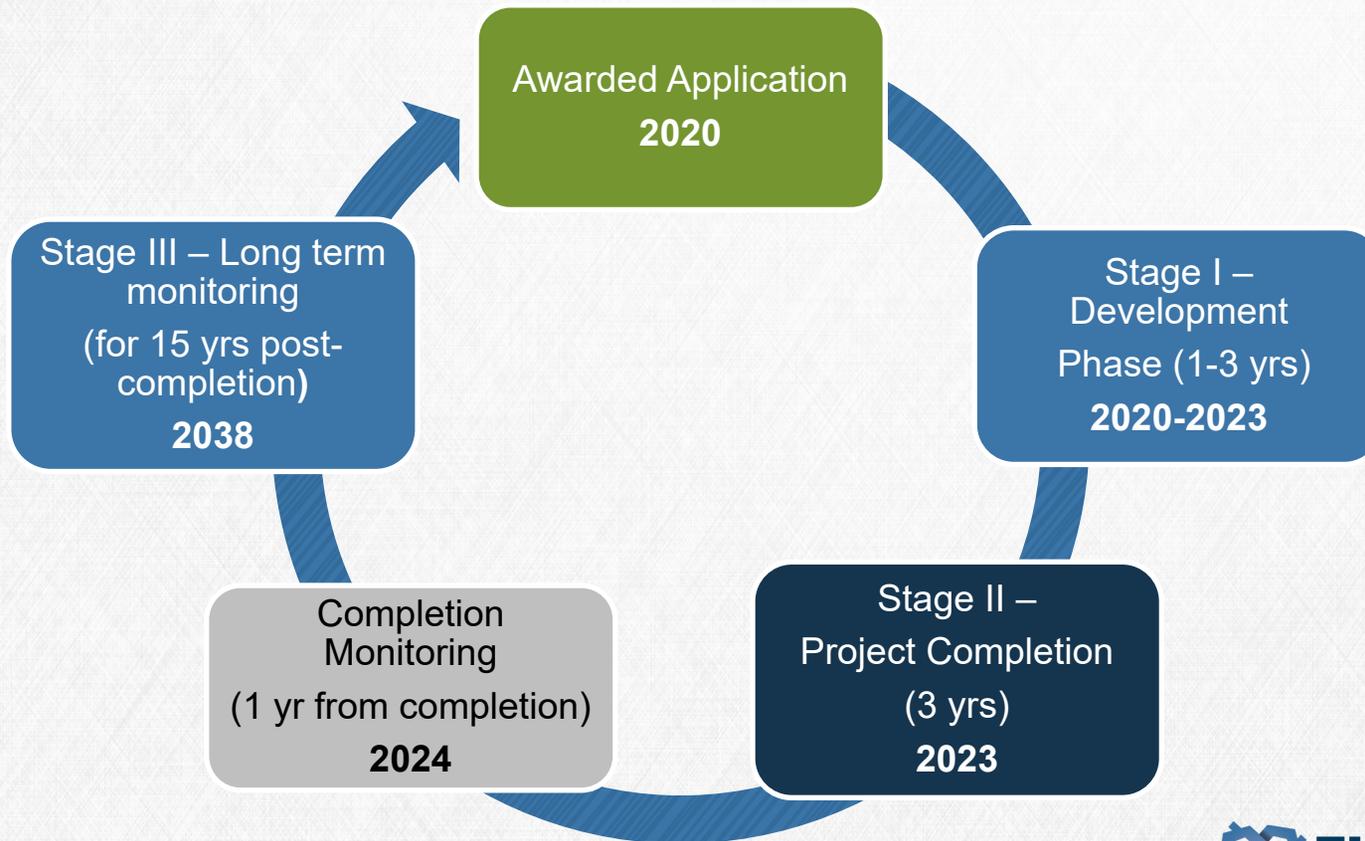
- Sponsor – Milestone Ventures
- Member – Old National Bank
- 26 total units
 - 16 \leq 50% AMI
 - 10 at 51 – 80% AMI
- AHP award - \$465,000
- Final TDC = \$6.89 Million
 - Member Perm Loan
 - LIHTC
 - Deferred Developer Fee
- Horner's Midtown Market
 - Development Fund Loan



Life Cycle of AHP Rental Project

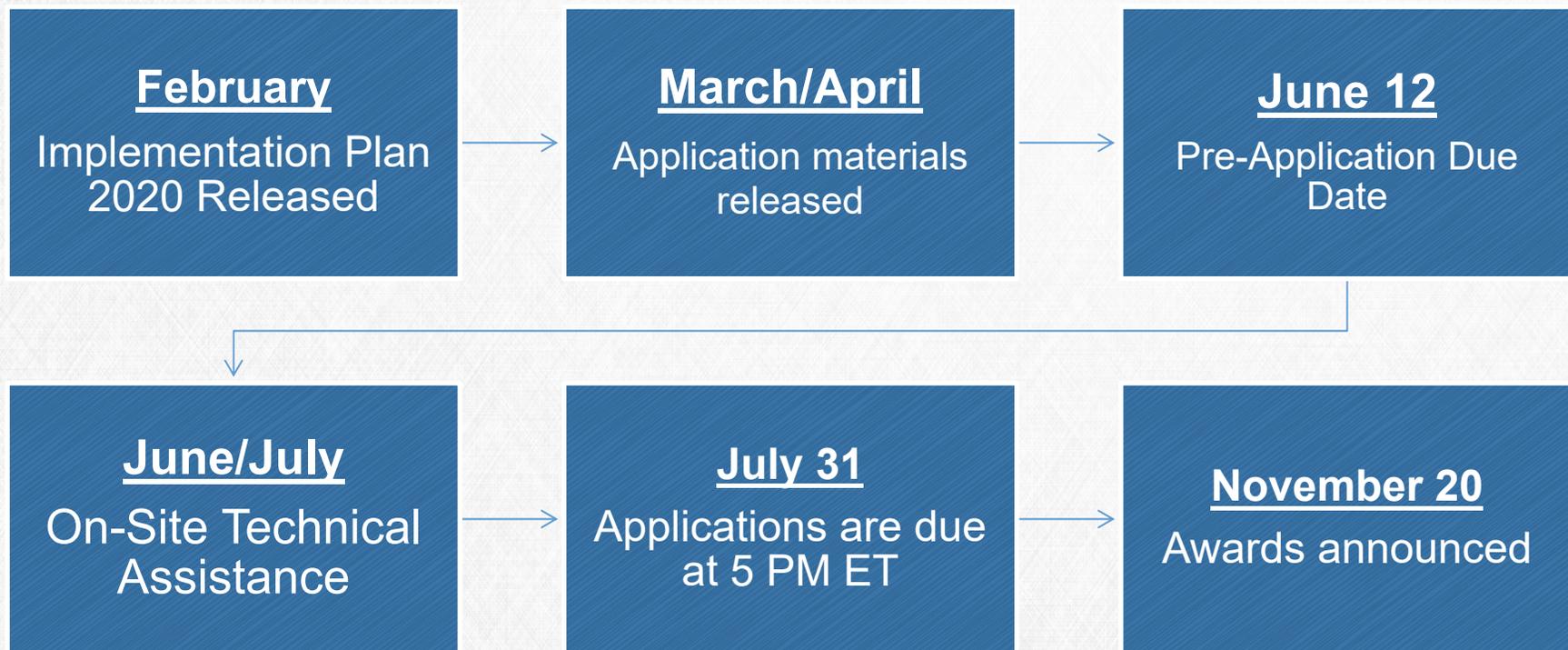


FHLBI is involved in each AHP Rental Project for up to 18 years



AHP Application Timeline

2020 PROGRAM YEAR



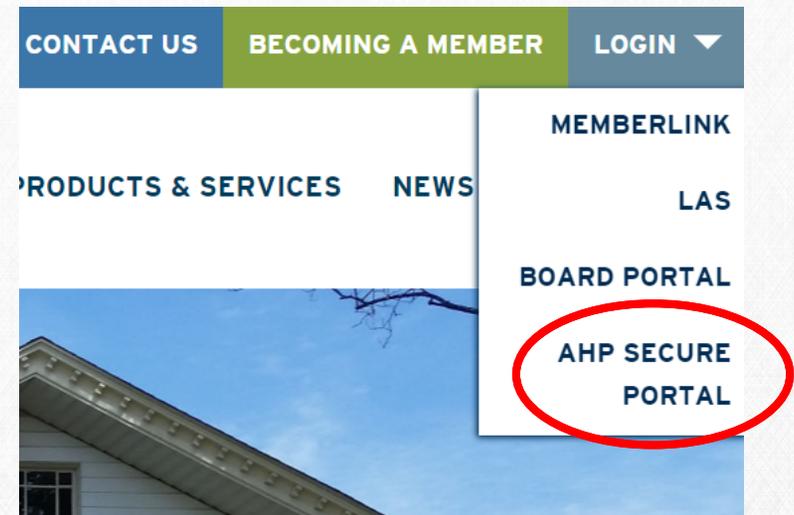
FHLBank Secure Portal

ACCESSING PORTAL



Secure Portal Access

- Login button on fhlbi.com
- <https://fhlbi.moveitcloud.com/>
- <https://fhlbi.com/SecurePortal>
 - Quick Start Guide
 - FAQ
 - Password Tips and Tricks
 - Webinar



FHLBank Secure Portal

ACCOUNT ACCESS



Who has access:

- Primary member & sponsor contacts
- Co-sponsor/Consultants
- Access granted at application transferred over to awarded projects



How to add an account:

- Have the primary contact email one of our staff confirming the additional account needed and the following information:
 - Full name and email address

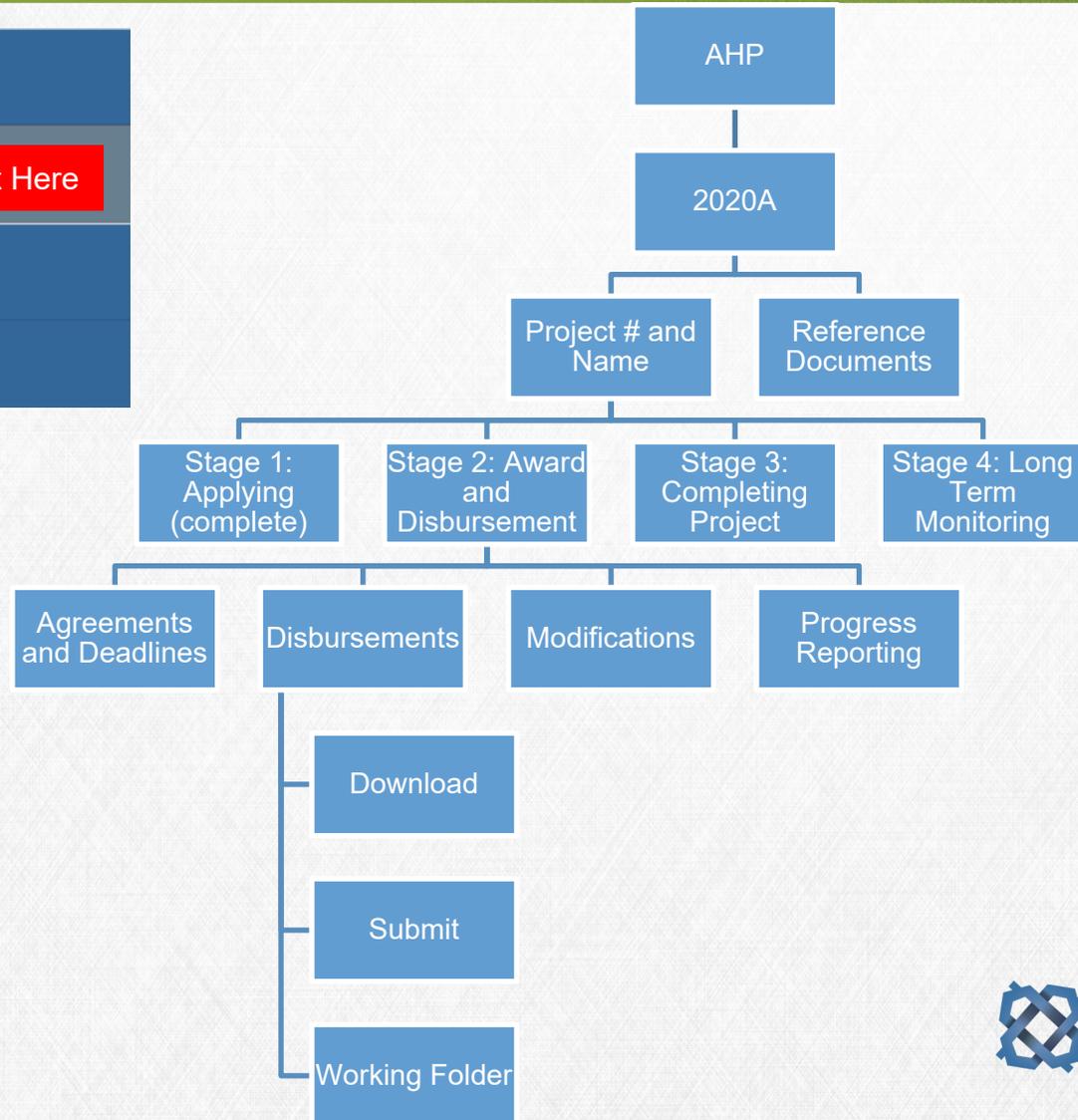
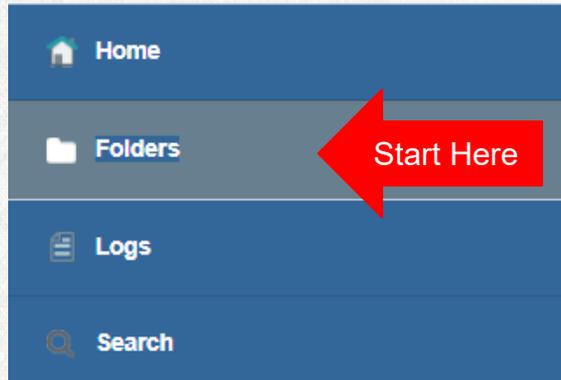
How to delete an account:

- Either the account holder or primary contact can email our staff to notify us



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FOLDER STRUCTURE



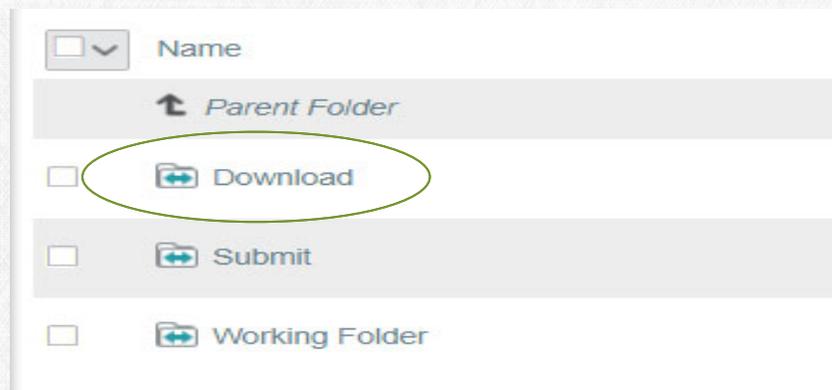
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SECURE PORTAL FOLDERS



Download Folder

- FHLBank Indianapolis will upload files that can be downloaded for your use
- An email notification will be sent when FHLBank Indianapolis has placed files in this folder
- All users associated with this project will have the ability to download files in this folder



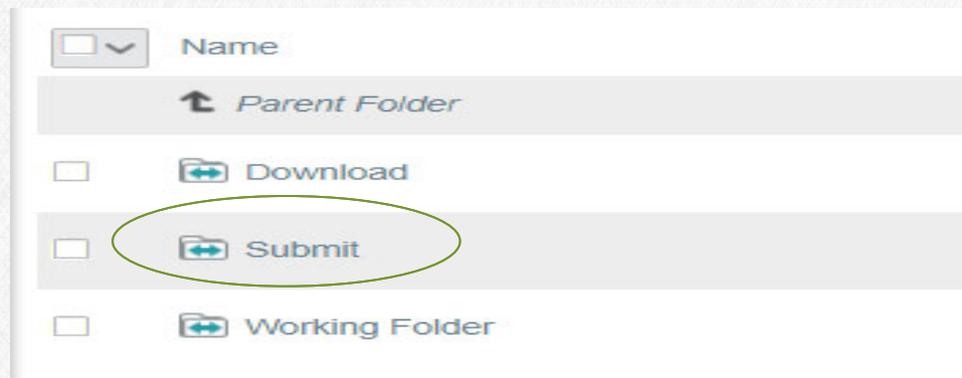
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SECURE PORTAL FOLDERS



Submit Folder

- Only members will have the ability to upload files in this folder
- All users associated with this project will receive email notification when a file is placed in this folder
- Files must be uploaded to this folder to be considered as submitted



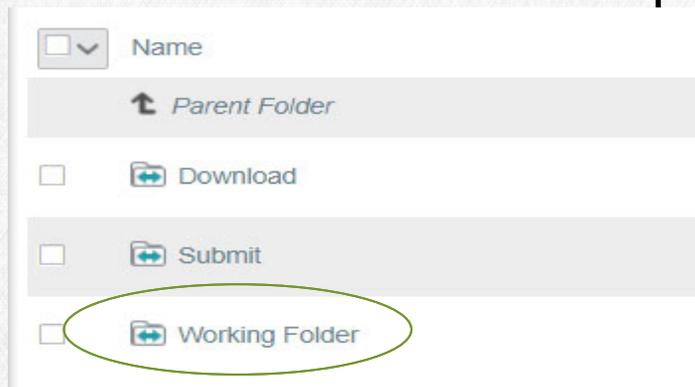
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SECURE PORTAL FOLDERS



Working Folder

- Tool used to share information between all users associated with the project
- All project affiliates will have ability to upload, download, and delete files
- Files will be automatically deleted 60 days after upload
- Files in this folder are not considered submitted to FHLBank Indianapolis
- File submission notifications are sent to all parties *except* FHLBank



FHLBank Indianapolis

QUESTIONS?



System Navigation Issues

Contact the Community Investment Department for questions regarding navigating the system.

800-688-6697

ahpcompliance@fhlbi.com

Account Administration Issues

Contact the FHLBank Indianapolis Service Desk for account issues.

800-442-2568

Service_desk@fhlbi.com



Underwriting Affordable Housing



Join us for an Underwriting Affordable Housing Workshop!

- Affordable housing experts walk you through the different layers of funding for affordable housing projects.
- This year's workshops will focus on non-LIHTC deals

Check fhlbi.com/training for updates on future trainings and workshops.

May 19, 2020

East Lansing, MI

May 12, 2020

Indianapolis, IN

Federal Home Loan Bank of Indianapolis

(800) 688.6697



AFFORDABLE HOUSING PROGRAM STAFF

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