



Affordable Housing & Community Investment Programs

# How a Deal Comes Together

## 2016 Member Symposium

MaryBeth Wott  
FVP, Community Investment Officer



# Agenda

- **What FHLBI Programs Are Available?**
- **What's In It For Me?**
- **How Can I Customize?**

**Cass Plaza Apartments, Detroit, MI, is a partnership between the Cass Corridor Neighborhood Development Corporation and FHLBI member, Dearborn Federal Savings Bank.**

**It involves the total renovation of two vacant buildings into 47 affordable units. The project is at the entrance to the Midtown area of Detroit. This strategic development eliminates two vacant buildings decreasing blight and addressing community needs for additional affordable housing.**



# FHLBI Community Investment Programs

## 2016 Allocations

65% \$8.8 mil.

### Affordable Housing Program (AHP)

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

35% \$4.7 mil.

### Homeownership Initiatives (HOP, NIP, AMP, & DRP)

*First-come, first-served grant funding programs for members that match the lifecycle of homeownership, from managing down payment and closing costs, to owner-occupied rehabilitation, to accessibility modification assistance for seniors and people with disabilities, to disaster relief.*

\$100-150 mil.

### Community Investment Program (CIP)

*Discounted advances and letters of credit available to members on an ongoing basis to support targeted housing and economic development.*



# Guiding Principles

---



- Community Investments reflects the core mission of FHLBI: Helping families throughout Indiana and Michigan afford housing by partnering with local financial institutions
- What does success look like?
  - Disbursing AHP funds to high quality, well-defined, mission-focused requests and projects.
  - Partnering with interested members and project sponsors to make sure they fully understand the project and have available our full spectrum of resources to develop the best possible business case for FHLBI community investment funding.



# Affordable Housing Program (AHP) – the basics



- Acquire, rehabilitate, construct
- Only FHLBI members may apply
- Project sponsors partner with you

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



# AHP Competitive Grant Program: What's In It For Me?

FHLBI



## Member Institution

- Desire to invest in community
- Foundations, philanthropic goals
- Community Reinvestment Act (CRA)
- Builds loyalty with customers or members
- Aids in employee recruitment or retention



## Sponsor/Owner/Developer

- Desire to invest in community
- Creates sustainable community housing assets
- Fulfills need or mission
- Non-profit or for-profit developer with housing as a core mission
- Leverages AHP \$\$ for larger projects



## FHLBI

- Supports Michigan and Indiana housing mission
- Provides service to our members
- Develops new/enhances existing member relationships
- Leverages AHP \$\$ for larger projects
- Supports long- and short-term job creation

**The 2016 Implementation Plan reflects the efforts of community leaders who come together to fulfill a common objective**

# How an AHP Relationship is Formed



- Local planning conversations
- Community-focused projects
- Developer relationships
- Non-profit partners
- Considered a loan

**Harbor Pines, Muskegon, MI, is a successful AHP project that provided new permanent supportive housing for individuals with developmental disabilities and/or physical disabilities.**

**This project stemmed from a relationship between FHLBI member Community Shores Bank and MOKA, a non-profit organization that serves individuals with disabilities in western Michigan.**



## Member Role

- Underwrites projects
- Maintains sponsor relationship
- Oversees project
- Provides compliance reports
- *May have to repay AHP subsidy*
- *May require additional reporting*
- *May require additional security instrument*

## Sponsor Role

- Assemble well-documented application
- Inform team of changes
- Prepare compliance reports and disbursement requests
- Treat the AHP grant like a loan!
- Understand compliance requirements
- Understand repayment obligation



# How Can I Customize?

---

- Proactive vs. reactive
- Representation from Senior Management
- Committee charter adopted by Board of Directors
- Review the Bank's overall policies concerning AHP
- Consistent monitoring to ensure compliance
- Ongoing review of certifications



# Best Practices



- Keep contact people informed of changes
- When your contact people change explain the project from the beginning
- Keep all emails
- Document scoring criteria as you go
- Problems? Talk with FHLBI

**Tree City Village, Greensburg, IN, was created in partnership by FHLBI member, Ameriana Bank, and sponsor, Developmental Services Inc.**

**The project, located in the "Old Dress Factory," is 9 one-bedroom units and 30 two-bedroom units. Adapting the factory brought life to this previously vacant structure. The need for the project arose from discussions with the community.**





The Hawks Art and Enterprise center is a 35 unit adaptive reuse of an 1885 furniture factory currently vacant on Goshen's Mill Race Canal. The project is part of the downtown area targeted for re-development with significant city contributions, including donation of land and environmental cleanup. Artists and entrepreneurs are targeted for the 1- and 2- bedroom live/work units.



## Everything you need can be found online ([www.fhlbi.com](http://www.fhlbi.com))

- 2016 Implementation Plan
- AHP Application Tips & Tools
- Notification of Intent
- Training on Demand
- Quick Smart Score
- FHLBI Empowerment MOU (Excel workbook)
- Awardee lists / Statistics
- AHP Application File





## Affordable Housing & Community Investment Programs

# Thank you for attending!

MaryBeth Wott  
FVP, Community Investment Officer

Questions? [housing@fhlbi.com](mailto:housing@fhlbi.com)

