



# COMMUNITY INVESTMENTS

## Bulletin

### 2024 Affordable Housing Program Implementation Plan

January 23, 2024

During the January FHLBank Indianapolis Board of Directors meeting, the directors approved the [2024 Affordable Housing \(AHP\) Implementation Plan](#), which is now posted on our website.

Changes were made to the Competitive Affordable Housing Program (AHP) and Homeownership Initiatives (Setasides). An overview of the changes made to the programs are described below.

### 2024 AHP Implementation Plan Changes

#### Competitive Affordable Housing Program (AHP)

##### 2024 Applications

- Notice of Intent to apply due June 6, 2024
- Application Deadline June 27, 2024
- Awards Announced November 22, 2024
- The Bank is not designating any Targeted Funds in the 2024 Plan

#### District Eligibility Requirements – General Fund

- Project Caps - The maximum amount of subsidy that may be requested per project in a single round is **\$1,000,000**, an increase from \$600,000.
  - The maximum request is the lesser of \$1,000,000 or 75% of the project's total housing development cost.
- Subsidy per Unit - Projects in which the funding gap results in AHP subsidy per unit exceeding \$100,000 are ineligible projects, an increase from \$60,000.
- Per Unit Total Development Costs – Projects with total per unit development costs exceeding \$299,999 must include documentation from a qualified third-party justifying the costs.

## **Competitive Affordable Housing Program (AHP) Scoring Changes**

### **Statutory Priorities**

- **Donated Property (up to 5 points)** - No changes
- **Nonprofit Sponsorship (up to 7 points)** - No changes
- **Targeting (up to 20 points)** – No changes

### **Underserved Communities and Populations (up to 18 points)**

- **Housing for the Homeless (up to 4 points)**
  - Added requirement of a social services plan to qualify for points
  - Removed stipulation that housing for homeless units can't overlap with  $\leq 30\%$  AMI units.
- **Special Needs (up to 4 points)**
  - Added requirement of a social services plan to qualify for points.
  - Removed visitable design units as a 2 point sub-category.
- **Rural Housing (4 points)** – Increased from 3 to 4 points.
- **Large Units (2 points)** – No Changes
- **Rental Housing for Extremely Low-Income Individuals (2 points)**
  - Reduced from 3 points to 2 points.
  - The need for the  $\leq 30\%$  AMI units must be supported in an independent, third-party market study and be consistent with targeting obligations as presented to other stakeholder in the project.
  - Removed stipulation that  $\leq 30\%$  AMI units can't overlap with housing for homeless units.
- **Native American Housing (2 points) NEW**

To qualify, a project must meet the following requirements:

  - The project is developed by either a federally recognized tribe, a Tribally Designated Housing Entity (TDHE), or other tribally owned entity. The tribe or tribally owned entity must be a general partner or managing member in the project.
  - The development must be within the service are of the Tribe or its TDHE.
  - The development must set-aside at least 20% of the total units in the development for households with at least one tribal member or descendent of a tribal member.

### **Creating Economic Opportunity (5 points) – No change**

### **Community Stability (up to 7 points)**

- **Investment Area**
  - Increased points available from 5 to 7 points. All initiatives in the category are now worth 7 points.

### **2024 District priorities (up to 38 points)**

- **Rent Subsidy (2 points)** – Removed this scoring category.
- **Member Financial Involvement (up to 8 points)** –
  - Investor in LIHTC, New Market Tax Credits, Historic Credits, or other, decreased from 5 to 4 points.

### Member Financial Involvement Cont.

- Permanent financing decreased from 5 to 4 points.
- Intermediate or short-term financing 3 points – no change.
- Financial donation equal to the greater of \$10,000 or 1% of total development costs decreased from 5 to 3 points, no pro-rated point opportunities.
- Utilization of FHLBank Indianapolis CIP advance for project – 1 point **NEW**
- **Desirable Sites (up to 8 points)**
  - Point opportunities available for proximity/access to public transportation, healthy food facilities, educational institutions, and/or medical facilities – worth 2 points each.
  - Scattered-site projects now may score points on a pro-rata basis in this category.
- **Readiness to Proceed (5 points)** – No change
- **Projects Serving Low Income Minority Areas (4 points)** – No change
- **Homeownership Opportunities in Low Income Minority Areas (3 points)**
  - Owner-occupied rehab projects are now eligible for this category.
- **AHP Subsidy Per Unit (10 points)**
  - Re-scaled points based on increase in maximum AHP subsidy per unit.

### Approval of AHP Applications

Updated Tie-Breaking Methodology Step 4.

### Monitoring Guidelines

Updated income sampling plan.

### Homeownership Initiatives (Setasides)

#### Homeownership Opportunities Program – HOP

- Increased per household grant amount to max of \$20,000
- Increased Member program cap limit to \$800,000
- Revised first-time homebuyer definition to:
  - An individual who has had no ownership in a principal residence during a three-year period ending on the date of the purchase of the property.
- Increased the front-end ratio (PITI) to 40%
- Reduced homebuyer required contribution from \$1,000 to \$500
- Removed restriction on Member REO properties (now allowed)
- Updated restriction on non-arm's length transactions to include an appraisal supporting the sale price of the property.
- Added restriction that the mortgage amount cannot exceed the sale price of the property.
- Adjusted description of homebuyer counseling to reflect that found in the FHFA regulation.

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**Neighborhood Impact Program – NIP**

- Increased per household grant amount to max of \$15,000
- Increased Member program cap limit to \$800,000
- Removed requirement to no changes to property title in previous 6 months.
- Added the following eligible repairs:
  - Structural – foundation/floor joists
  - Electrical
  - Plumbing
  - Ceiling and drywall repair due to roof failure
  - Basement/Crawlspace waterproofing
  - Sump pump systems
- Added former AMP repairs to NIP with the addition of the following which require a needs assessment provided by a certified professional:
  - Kitchen Accessibility Modifications
  - Universal Design Flooring
  - Bathroom conversion of ½ bath to full bath (on main level of home)

**Accessibility Modifications Program – AMP**

- AMP is no longer offered as a standalone program. All AMP modifications and repairs are now available under NIP and no longer carry the age, disability or location restrictions as formerly required.

**Please read the full Implementation Plan for all program details and requirements.**