



# COMMUNITY INVESTMENTS

## Bulletin

### 2025 Affordable Housing Program Implementation Plan

January 27, 2025

During the January FHLBank Indianapolis Board of Directors meeting, the directors approved the [2025 Affordable Housing \(AHP\) Implementation Plan](#), which is now posted on our website.

Updates 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.

### 2025 AHP Implementation Plan Changes

#### Competitive Affordable Housing Program (AHP)

##### 2025 Applications

- Notice of Intent to apply due June 5, 2025
- Application Deadline June 26, 2025
- Awards Announced November 21, 2025
- The Bank is not designating any Targeted Funds in the 2025 Plan

##### Need for Subsidy

- Provided guidance per AB 2024-05 outlining the use of the development budget for need for subsidy.

##### Market Study

- Updated market demand requirements by project type. Market study is not required for all projects. Those with less than 12 units, plus others with exceptions, will not need a third-party market study.

##### Time Limits on Use of AHP Subsidies

- Removed requirement that all funding must be committed prior to the initial disbursement of AHP funds.
- Adjusted language to reflect the impact of extensions on 36-month disbursement deadline.

Capital Needs Assessment/Scope of Work Requirements

- Removing requirement that CNA be provided by third-party when it could be done in house if sponsor/developer contains such expertise, saving the project money.

**Competitive AHP Scoring**

Donated Property (5 points) – No changes

Nonprofit Sponsorship (up to 7 points) – No changes

Targeting (up to 20 points) – No changes

Underserved Populations (up to 18 points)

- Housing for the Homeless (up to 4 points) – No changes
- Special Needs (up to 4 points) – No changes
- Removed requirement for 100% elderly projects to complete social services plan.
- Native American Housing (2 points) – No changes
- Rural Housing (4 points) – No changes
- Large Units (2 points) – No changes.
- Rental Housing for Extremely Low-Income Individuals (2 points) – No changes

Creating Economic Opportunity (5 points) - No changes

Community Stability (7 points) – No changes

- Adjusted definitions of Blight Elimination and Stabilization

**District Priorities (up to 38 points)**

Member Financial Involvement (up to 8 points)

- Investor in Low Income Housing Tax Credits, New Market Tax Credits, Historic Credits - 4 points.
- Permanent financing - 4 points.
- Intermediate or short-term financing to the project – 4 points.
- Financial donation to the project development costs equal to the greater of

- \$10,000 or 1% of total development costs – 4 points
- Removed: utilization of a CIP advance as a 1-point category.

Desirable Sites (up to 8 points)

- Clarified need for multiple maps for scattered sites
- Redefined healthy/nutritional food facilities
- For proximity to healthy foods, education, and medical facilities, increased the qualifying distance to 2 miles for rural properties.
- For proximity to transportation distance remains ½ mile to a public transportation stop or having access to no-cost or low-cost door-to-door transportation services.

Readiness to Proceed (5 points)

- For homeownership projects, excluding the present value of buyer mortgage financing and buyer down payment assistance from the funding commitments calculation.
- Clarified % of AHP subsidy in relation to total housing development costs to compete in scoring category.

Projects Serving Low Income Minority Areas (4 points) – No changes.

Homeownership Opportunities in Low-Income Minority Areas (3 points) – No changes

AHP Subsidy per Unit (10 points) – No changes

**(End of Scoring Categories)**

Changes to Approved Subsidy Amount and Modifications

- Updated Subsidy Increases requirements.

Definitions

- Added definitions of Single-Site Project, Scattered-Site Project, and Watch List

Feasibility Guidelines

- Per Unit Total Development Costs – Projects with total per unit development costs exceeding \$399,999 must include documentation from a qualified third-party justifying the costs. Increase from \$299,999
- Increased allowable developer fee to \$1,800,000 maximum, from \$1,500,000, aligning with other funding stakeholders.
- Total annual operating expense per unit: removed maximum of \$5,750
- Debt Coverage Ratio: increased range from 1.10 - 1.40 to 1.15 -1.45
- Updated supportive services pro-forma requirements.
- Removed requirement of projects leaving in at least 25% of the deferred developer fee amount specified.

## **Homeownership Initiatives (Setasides)**

### Launch Down Payment Assistance (NEW NAME fka HOP)

- Decrease Member Cap from \$800,000 to \$600,000
- Changed maximum of grant to lesser of \$20,000 or 20% of purchase price of home.
- Adjusted allowable homebuyer closing costs to include borrower paid broker fees.

### Revive Home Repair (NEW NAME fka NIP)

- Decrease Member Cap from \$800,000 to \$600,000
- Updated list of eligible repairs.

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