

Funding Through the FHL Bank Topeka

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Topeka

August 21, 2018/Time:

OCAH Affordable Housing Conference
Plan.Build.House.



Presenting Sponsor



Bank Act – Affordable Housing Program (AHP)

The Bank Act requires:

- Each FHLBank to annually contribute 10 percent of its net earnings to AHP
- AHP shall finance
 - Homeownership for families with incomes at or below 80 percent of the area median income (AMI); or
 - Purchase, construction, or rehabilitation of rental housing in which at least 20 percent of the units are affordable for and occupied by very low-income households

Housing and Community Development (HCD)

■ HCD Overview

- The Housing and Community Development Department (HCD) administers the Bank’s grant and community investment advance programs and Community Support Statement (CSS) process.
 - Grant programs include: Affordable Housing Program (AHP) Competitive and Homeownership Set-aside Program (HSP)
 - Advance programs include: Community Development Program (CDP) and Community Housing Program (CHP).
 - CSS includes: bi-annual member submission of CSS statement

AHP Competitive

Partnership among FHLBank, FHLBank member institution and public and private housing development organizations

- **FHLBank member role – submits application, may provide temporary or permanent financing (points may be awarded for member financial participation), conduit for disbursements of funds, assist in project compliance.**
- **Development organizations – may be for-profit or not-for-profit (points may be awarded for sponsorship by a not-for-profit organization or government entity).**



AHP COMPETITIVE - USES

(all AHP assisted units must be occupied and affordable to very low-, low- or moderate-income households)

- **Rental - address documented financing gap**
 - construction
 - purchase
 - rehabilitation of existing rental units
- **Owner-occupied**
 - down payment and closing cost assistance
 - rehabilitation of owner-occupied dwellings

AHP Awards and Funding 2014 through 2018

- **Total AHP available in 2018**
 - **No less than \$14.3 million**
 - **Up to \$750,000 per project**
 - **Up to \$40,000 per unit**
- **AHP awarded from 2014 to 2017 - \$40MM**
- **Applications received from OK projects – 142**
- **Number of projects awarded in OK – 31**
 - **22 – Rental**
 - **9 – Owner Occupied**

Affordable Housing Program (AHP) continued

- **Eligibility** – At least 20% of units occupied by VLI households
- **Scoring** – 100 points possible, nine scoring criteria
- **Feasibility** – Start, finish and operate through retention period
- **Cost Reasonableness** – construction costs reviewed
- **Need for Subsidy** – must demonstrate continuing need for subsidy
- **Viability** – financial viability to operate through the retention period
- **Disbursement** – transfer of AHP funds through member to project
- **Monitoring** – project completion, occupancy, finances, and commitments

AHP Scoring Criteria

- Use of Donated or Conveyed Government-owned or Other Properties (5 points maximum)
- Sponsorship by a Not-for-Profit Organization or Government Entity (7.5 points maximum)
- Targeting (20 points maximum)
- Housing for Homeless Households (5 points maximum)
- Promotion of Empowerment (7.5 points maximum)
- First District Priority (25 points maximum) – In-district, Special Needs and Member Financial Participation
- Second District Priority (15 points maximum) – Federally Declared Disaster Area, Preservation of Federally Assisted Housing, Large Units, Military Veterans and Economic Diversity
- AHP Subsidy per Unit (SPU) (7.5 points maximum)
- Community Stability (7.5 points maximum)



Resources

- Website: www.fhlbtopeka.com/ahp
- 2018 AHP Implementation Plan
- Mortgage Revenue Bond and HUD Income Limits
- Watch the website for training opportunities
- AHP Staff
 - Mike Borcher, Manager – mike.borcher@fhlbtopeka.com or 785.478.8057
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