



Housing & Community Development

Affordable Housing Grant Programs

Mike Borchert

AVP, Affordable Housing Program Manager

Affordable Housing Program (AHP) Competitive

- Partnership among FHLBank, member institution and public and private housing development organizations
- All AHP assisted units must be occupied and affordable to very low-, low- or moderate-income households.
- Two types of projects:
 - **Rental – address financing gap**
 - Construction
 - Purchase
 - Rehabilitation
 - **Owner-occupied**
 - Down payment and closing cost assistance
 - Rehabilitation of owner-occupied dwellings

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)

Affordable Housing Program (AHP)

- Up to \$750,000 per project and \$30,000 per unit
- Applications due June 30, 2017
- Funds awarded in December
- In 2017 - Over \$11.6 million is available

Homeownership Set-aside Program (HSP)

Provides down payment, closing cost and rehabilitation assistance to first-time homebuyers earning at or below 80% of the Area Median Income (AMI) for households purchasing or constructing homes in Colorado, Kansas, Nebraska and Oklahoma.

A forgivable grant with a 5 year retention period.

A partnership with FHLBank members.

First time homebuyer

- An individual who does not own and is not an investor in another residence, and who wishes to purchase a home that will be his/her primary residence who meets any one of the following criteria:
 - An individual who has had no ownership in a residence during the prior three-year period ending on the date of purchase of the property;
 - A divorced or legally separated individual who has only owned a residence with a former spouse;
 - An individual who has only owned a residence not permanently affixed to a permanent foundation in accordance with applicable Regulations; or
 - An individual who has only owned a property that was not in compliance with State, local or model building codes and which cannot be brought into compliance for less than the cost of constructing a permanent structure.

Income eligibility

- **Income—household income must be at or below 80% AMI**
 - **Household includes all persons living in the house. All income earned by occupants age 18 and over is included. Non-occupying co-borrowers, or, co-owners are not permitted.**
 - **State HUD limits establish the AMI**
 - **Income Calculation Worksheet calculates the AMI for the member**

Basics for 2015 HSP

- \$6.2 million available for HSP
- Up to \$5,000 available for each homebuyer
- Member limit of \$25,000 per month(limit is not an allocation)
- Home purchased must be located in Colorado, Kansas, Nebraska and Oklahoma
- Grant funds are provided by member at closing; member is reimbursed by FHLBank after approval of disbursement request

Critical Dates

▪ Start

- On-going — Members submit Authorization forms and Registration Agreements
- May 15— Members submit Reservations and Income Calculation Worksheet and income docs

▪ Finish

- November 30—last day for Members to submit Reservations
- Disbursement Requests must be submitted within 120 days of the Reservation of Funds

Know the homebuyer

- First time homebuyer – defined in 2017 AHP Implementation Plan
- Household income at or below 80% AMI
- Non-occupying co-borrowers and co-owners are not permitted
- Homebuyer must contribute a minimum \$500 down payment
- Homebuyer must participate in Homebuyer Education—see approved providers on HSP website
- Homebuyer must agree to a five-year retention period
- At closing:
 - no cash back to homebuyer
 - no other debt can be paid off in the transaction

Know the homebuyer's property

- Purchase of a residence in Colorado, Kansas, Nebraska, Oklahoma
- If the purchase includes rehabilitation
 - Eligible rehabilitation includes correction of deferred maintenance and/or replacement of principal fixtures and components of existing buildings including, but not limited to: accessibility improvements, roof repair or replacement, electrical repair, plumbing repair, mechanical repair or replacement, foundation or other structural repair, exterior siding replacement or paint, window and door replacement, floor coverings, and wall repair and paint
 - Ineligible rehabilitation expenses include payment to the homeowner for rehabilitation labor
- The property can be a house, condominium, cooperative housing unit, or manufactured housing to be used as the household's primary residence.
- The property cannot be both units in a duplex, where one unit is the household's primary residence and the other unit is investment property.
- A reservation is made for a *specific homebuyer and a specific property address*. If the sale for a property falls through, the reservation is withdrawn. Reservations are not transferred to other homebuyers or to other property.

HSP Funding Process Overview

- **Reservation and Income Review**
 - Submit HSP Funds Reservation Form AND Income Calculation Worksheet and income docs
 - Plan on a minimum of **20 business days** processing time—schedule the closing more than 20 days from submitting the reservation
- **Close the loan only after receiving notice of income approval**
- **Disbursement Request**
 - Submit final docs
 - FHLBank will fund as a reimbursement
 - Processing may take **15 business days**, but likely much less time

Questions?

Mike Borchner

785.438.6237

mike.borchner@fhlbtopeka.com

Dustie Nitcher - AHP

785.438.6031

dustie.nitcher@fhlbtopeka.com

Jessica Puvogel – HSP

785.228.5963

Jessica.Puvogel@fhlbtopeka.com

<https://www.fhlbtopeka.com/community-programs-grants>