



FHLBank Topeka

Owner Occupied Exhibits

Dustie Nitcher | **HCD Financial Specialist**

Melody Richard | **HCD Financial Specialist**

February 26, 2015

Exhibits Deadline

- ▶ **Exhibits must be uploaded to TrueShare**
 - ▶ **April 17, 2015**
 - ▶ **5:00 p.m. CT**
 - ▶ Please contact Daniel Crook for questions pertaining to registering for TrueShare.
 - ▶ Daniel Crook, Community Programs & Reporting Specialist
 - ▶ Phone: 785.438.6255
 - ▶ Email: Daniel.Crook@fhlbtopeka.com
 - ▶ Schedule sufficient amount of time before the Exhibits deadline to register for the TrueShare program.
 - ▶ **No** hard copies of the Exhibits will be accepted.

Helpful Tips...



- Register with TrueShare
- Complete feasibility workbook
- Complete the online AIR application, submit by April 13th , midnight, CT
- Complete and submit exhibits, supporting documentation, and signature page(s) by April 17th, 5:00 p.m., CT
- <http://www.fhlbtopeka.com/s/index.cfm?AID=29>, on the right side, under Applications header, click on 2015 Owner Application

Naming Conventions

To be used for TrueShare upload...

- **01 Needs Assessment**
- **02 NA**
- **03 Project Sponsor
Qualifications and Eligibility**
- **04 Affirmative Fair Housing**
- **05 Feasibility and Cost
Reasonableness**
- **06 NA**
- **07 Donated Property**
- **08 Non-Profit or
Governmental Sponsor**
- **09 Promotion of
Empowerment**
- **10 First District Priority**
- **11 Second District Priority**
- **12 Community Stability**

Exhibit 1 – Needs Assessment

- If providing a 3rd party Needs Assessment, tab areas in the study that pertain to the market you expect to serve. No older than 3 years.
 - Describe housing situation to demonstrate need
 - Describe relationship to housing plan
 - Describe employment trends, wages, job growth
 - Describe population trends
 - Describe available, affordable housing in project area
 - Rehabilitation need in area – if applicable

Tell us about your Proposed Project!!!

Exhibit 3 – Project Sponsor Qualifications & Eligibility

- The Project Sponsor listed on the Application should match what is listed in the exhibits.
- The AHP Sponsor must be integrally involved and qualified to perform the responsibilities as committed to in the AHP application. The applicant will be requested to describe sponsor qualifications.
- Do not leave any boxes blank. If a question does not apply, type N/A.
- Do not repeat answers.

Exhibit 4 – Affirmative Fair Housing

- Explain how the Project will market to those demographic groups who are least likely to apply for housing.
- **Affirmatively Marketed – Marketing actions to provide housing without regard to:**
 - Race
 - Color
 - Gender
 - Familial status
 - National origin
 - Religion
 - Disability



Exhibit 5 – Feasibility

- **Feasibility** – please see the 02/24/15 Webinar addressing the AHP Owner Occupied Feasibility Workbook.
 - **Developer Fee** -
 - Purchases - Not permitted.
 - Rehabilitation – Shall not exceed \$500 per unit.
 - New construction (speculative construction) shall not exceed 15% of Total Costs (construction, land & site costs) per unit.
 - **Lender & Loan Discount Fees (Buyer & seller combined)** -
 - Lender fees - shall not exceed 4.0% of the loan amount (ex: origination fees, application fees, etc).
 - Loan discount fees - shall not exceed 2.5% of loan amount (ex: interest rate buydown)
 - **Nonprofit Sponsor & Homebuyer Education Fees** - shall not exceed \$500 per unit.
 - **Front Ratio** - shall not exceed 38% of gross monthly income. Front ratio has been removed from rehabilitation projects.

Exhibit 5 – Cost Reasonableness

- AHP uses RS Means to establish cost reasonableness for Rehabilitation, Habitat for Humanity (new const)/New Construction projects
- Common Questions:
 - Does RS Means adjust to regional differences in construction cost?
 - YES
 - Do proposed costs have to match RS Means?
 - YES. Proposed costs can be 5% above or 15% below the RS Means estimate.

Exhibit 5 – Cost Reasonableness

▪ **Rehabilitation**

– **It is STRONGLY encouraged that you obtain competitive bids that include MATERIALS, PRICE, and QUANTITY.**

– **Example: Roof Repair**

- Remove & replace Tamko Elite 3-Tab shingles 25 year warranty, 24 squares - \$3,800
- Remove & replace 15 # felt underlayment, 2,400 sq ft - \$550
- Remove & replace 14” metal flashing, 50 linear feet - \$180
- Trash and debris removal - \$250
- Total Rehabilitation amount - \$4,780
- Don't say Roof Repair \$4,780 (no lump sums in Exhibit 5)

– **Provide a detailed cost breakdown – No lump sums**

– **Not establishing a firm and cost reasonable price for your project cost will result in:**

- **Additional Feasibility Review and/or Follow Up**

Exhibit 5 – Cost Reasonableness



- **Habitat For Humanity (new const)**
- **New Construction (speculative housing)**
 - **Floor Plans: should include measurements for square footage and lineal footage for perimeter calculations**
 - **Elevation Plans**
 - **Provide construction specifications that will be used during the contractor bidding process. Additional amenities might include: washer/dryer, dishwasher, built in microwave, garbage disposal, ceiling fans, garage door opener.**

Exhibit 7 – Donated Property

- Minimum of 20% of land/units are fully donated.
- Donation must be at zero cost to the sponsor, or;
- De minimis Amount - \$100 or less - does not include transfer or closing costs.
- Documentation Requirements
 - Donation commitment letter
 - Real Estate Transfer Statement
 - Quit claim deed
 - Deed of trust
 - Settlement statement
 - Purchase contract



Exhibit 8 – Non-Profit or Governmental Sponsor

- **Non-Profit Sponsor**
 - **IRS Letter of Determination**
 - **Cert. of Good Standing dated as of application year**
 - **Current list of Board of Directors as of application year**

- **Government Entity**
 - **Charter and/or Enabling Legislation**

Exhibits 9 thru 12 - Helpful Tips for Commitment Letters

- When a scoring commitment requests a letter – said letter should meet the following criteria:
 - **Project specific**
 - **On letterhead**
 - If service is third party – letterhead must be third party.
 - **Dated within current or previous calendar year,**
 - **Signed**
 - If service is third party – letter must be signed by third party.
 - ***“The letter should include a detailed plan describing the following: “***
 - Speak on each corresponding bullet point
 - **Use active language - “will” or “has approved.”**
 - **Do not use passive language - “could”, “would”, “may”, or “might.”**

Exhibit 9 – Promotion of Empowerment

- Program offerings that assist residents to move toward better economic opportunities:
 - **Sweat Equity** (minimum of 50% of units)
 - **Homebuyer/Homeownership Counseling** (minimum of 50% of units)
 - **Resident Involvement**
 - **Financial Education and/or Credit Counseling**
 - **Formal Education Classes**
 - **Assistance to Find or Sustain Employment and/or Job Training**

All commitments in this exhibit require a commitment letter

Exhibit 10 – First District Priority

- **Special Needs** (minimum of 50% of units)

- No commitment letter needed



- **In District** (minimum of 50% of units)

- No commitment letter needed
- Provide area/addresses within Exhibit 10



- **Member Financial Participation** (minimum of 20% of units)

- Commitment letter is needed

Exhibit 11 – Second District Priority

- **Rural** (minimum of 50% of units)

- <http://www.raconline.org/amirural>
- RUCA (rural-urban commuting area) code 4-10



- **Military Veterans** (minimum of 20% of units)

- **Economic Diversity** (minimum of 50% of units)

- <https://geomap.ffiec.gov/FFIECGeocMap/GeocodeMap1.aspx>
- Example: County/MSA median income is \$65,400 and the home's census tract median income is \$82,300 = Economic Diversity

- **Large Unit** (minimum of 50% of units)

All commitments in this exhibit require a commitment letter



Exhibit 12 – Community Stability

- **Neighborhood Stabilization/Revitalization Plan (NRA)**
(minimum of 20% of units)
- **New construction in a Difficult to Develop/Qualified Census Tract (QCT)** (minimum of 20% of units)
 - <https://geomap.ffiec.gov/FFIECGeocMap/GeocodeMap1.aspx>
 - <http://qct.huduser.org/tables/screen2.odt?stcnty=40143.0&DDAYEAR=2014>
- **Abatement of Hazardous Environmental Conditions**
(1 unit)
- **Adaptive Reuse of Property** (minimum of 80% of units)
- **Owner Occupied Rehabilitation** (minimum of 100% of units)
Rehabilitation expenses must be \$1500 or more per unit

All commitments in this exhibit require a commitment letter

Point Criteria not within an Exhibit

- Keep in mind the remaining point criteria as you're completing the exhibits
 - Targeting 20 points maximum
 - Homeless 5 points maximum
 - SPU 7.5 points maximum

Application Milestones

- Needs Assessment completed
- Scope of project defined
- Preliminary Cost Estimates developed
- Other funding sources identified



Questions?

Contact Info:

Dustie Nitcher – Dustie.Nitcher@fhlbtopeka.com
[785-438-6031](tel:785-438-6031)

Melody Richard – Melody.Richard@fhlbtopeka.com
[785-438-6033](tel:785-438-6033)

www.fhlbtopeka.com
[Community Programs](#)

[Toll Free](#)
[1-866-571-8155](tel:1-866-571-8155)

