

FHLBank San Francisco

Foreclosure Property as Community Housing Asset

Affordable Housing Program (AHP) Strategies for Property Acquisition

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Foreclosure Properties-Strategies for Property Acquisition-Affordable Housing Program

Topics

- Affordable Housing Program **Competitive Program**
- Affordable Housing Program **Set-Aside Program: WISH**
- **Case Studies:**
 - **NSP and AHP**
 - **Rehab Rental**
 - **Rehab Ownership**
- **WISH: Purchase of foreclosed homes**



AHP competitive program :

- Competitive semiannual application process
 - April 1st and October 1st
- Provides forgivable grants:
 - 15-year retention period for rental projects
 - 5-year retention period for owner-occupied units
- Provides gap financing and down payment and closing cost assistance
- Restricted to households at or below 80% AMI



AHP Competitive Program

- Subsidy is for purchase, construction, and / or rehabilitation of rental or owner-occupied housing
- Scoring criteria, need for subsidy, and feasibility analysis
- Foreclosure recovery efforts in *Community Stability section of AHP application*
- Rental and homeownership projects compete together
- Demonstrate need for subsidy and financial feasibility
- Comply with fair housing and affirmative marketing requirements



AHP Set-Aside Programs: IDEA and WISH

- Non-competitive application held once a year
- Downpayment and closing cost assistance
- Restricted to households at or below 80% AMI
- \$15,000 per home
- First-time homebuyer
- 5 year retention period



Case Study 1 : REO Rental Rehab

FHLBank Member1/Sponsor1__AHP award \$330,000

- **Scattered site** (both single-family and 1-4 multi-family) **rehab:**
- 19 REO properties to rehab into permanent **rental** housing: 33 rental units in Blythe, Desert Hot Springs, Mecca and Salton City
- Sponsor has 2 NSP awards through Riverside County EDA
 - 20 units to households at 50%AMI
 - 13 units to households at 75% AMI
 - One property (5 units) will be dedicated as a group home for the developmentally disable.



Case Study 2: Indio NSP-REO Resale

- **FHLBank Member2/Sponsor2 __ AHP award \$240,000**
- **Scattered site single-family acquisition and rehab**
 - Acquire, rehab and sell 16 single family homes foreclosed properties
 - Sell to households at 50% AMI
 - NSP award to City of Indio to subsidize cost of rehab and provide mortgage assistance
 - AHP to provide additional downpayment assistance

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Case Study 3: REO Project -Sonoma

- **FHLBank Member3/Sponsor3_AHP award \$300,000**
- **Scattered site single-family acquisition and rehab**
 - Acquisition and rehab of 20 bank-owned REO properties in Roseland redevelopment area in Santa Rosa
 - Sold to households at 65% AMI
 - Downpayment and closing cost assistance
 - Affordable homeownership for local workforce families

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Case Study 4: Purchase of foreclosed units with WISH subsidy

- **Non-profits:**
 - Identify foreclosed units and qualify homebuyers
 - Work with a FHLBank member with a WISH allocation
- **Households:**
 - Up to \$15,000 for downpayment and closing cost assistance

In 2010, 34% of WISH-assisted purchased units were foreclosed homes