

Building Blocks

A Publication of the Federal Housing Finance Board



Volume 5, Number 4

Summer 1997

Community Partnership Awards

57 FHLBank System Members, Nonprofits Honored for Affordable Housing, Community Development Initiatives

The Federal Home Loan Bank System's 3rd Annual Community Partnership Awards program on June 11 drew more than 230 attendees, making it the largest audience in the event's history. A total of 57 awards were presented to FHLBank System members and their community organization partners in recognition of the winners' outstanding leadership in creating partnerships for low-income affordable housing and community development initiatives.

The awards ceremony, held in the historic Caucus Room in the Russell Senate Office Building, was preceded by a series of morning seminars in which award winners discussed their projects. Topics of the seminars included: "Homeownership," "Special Needs Housing," "Community Development," and "Multifamily Innovations." A multimedia show created by the FHLBank of Pittsburgh highlighting photos of many of the winning projects opened the seminars.

The event's keynote speaker was Federal Housing Finance Board Chairman Bruce A. Morrison, whose agency regulates the 12 FHLBanks.

In his remarks, Morrison congratulated the partners for outstanding community service and pointed to the many ways in which the FHLBank System can finance housing and community investment in an age of increasingly scarce resources.

FHLBank of Seattle President and Chief Executive Officer James R. Faulstich served as Master of Ceremonies for the awards ceremony, reminding the crowd that the Community Partnership Awards are becoming one of the most important award programs in the affordable housing and economic development field.

Faulstich told the participants that each of the thousands of applications for funds from the FHLBank System's Affordable Housing Program and Community Investment Program represents a winning attitude on the part of the applicants.

The Community Partnership Award winners are selected each year by the community investment offices at each of the 12 FHLBanks, with winners named in housing and community development categories. The awards recognize achievement in housing development and fulfillment of the FHLBank System's mission. Examples of 1997 winners in the housing category include creating partnerships that assisted individuals with chronic mental illness or substance abuse, and providing homes for the homeless and for very low-income households. Award-winning community development institutions created community projects such as daycare facilities and a fire house for a rural town. □

Table of Contents

CPA Housing Winners: Mentally Ill, Homeless Individuals, and Very Low-Income Families Reap Greatest Benefits **see page 2**

Community Development Winners Include Daycare Facility, Fire House, and New Community Development Financial Institution. **see page 7**

Resources. **see page 12**

Affordable Housing Category

Diversity Distinguishes 1997 CPA Winners

FHLBank of Boston

Project: Central House, The Mervyn D. DeMille
YMCA Residence, Cambridge, Massachusetts

Award Recipients:

- Cambridgeport Bank, Cambridge, Massachusetts
Cambridge Family YMCA, Cambridge,
Massachusetts

Project Profile: Development of 128 units of
affordable rental housing for very low-income
individuals.

Project Summary: The YMCA has been providing
affordable housing at Central House since 1896, and
today it serves low-income men, many of whom suffer
from chronic mental illness, substance abuse and
AIDS/HIV-related illnesses. It is the largest
single-room-occupancy residence for men in the city,
and Central House residents have access to a range of
support services.

This \$5.2 million project received broad
community backing and financial support. The 16
major funding sources included Cambridgeport Bank,
which secured a \$250,000 AHP grant from the
FHLBank of Boston.

Other partners in the project's permanent financing
include the Massachusetts Housing Partnership Fund;
Boston Capital, a low-income housing tax credit
investor; the Massachusetts Government Land Bank;
and the City of Cambridge. Funding for renovation to
the health and fitness facilities and youth and childcare
areas was provided through an extensive capital
campaign supported by individuals, corporations, and
foundations.

FHLBank of New York

Project: Stuyvesant Hotel, Kingston, New York

Award Recipients:

- Ulster Savings Bank, Kingston, New York
Rural Ulster Preservation Company, Kingston,
New York

Project Profile: Building redevelopment to create 40
units of rental housing for very low-income
individuals.

Project Summary: The Stuyvesant Hotel is a
39,000-square-foot building that was formerly a
90-room motor hotel, circa 1910. The hotel complex is
an integral part of Kingston Uptown Business District
and part of the Historical Stockade National Register
District.

The Rural Ulster Preservation Company completed
renovation of the building in 1993. In order to retain
congruity with the area, the ground floor has maintained
5 commercial areas and the upper floors have been
renovated for 40 residential units, including 28 units
reserved for homeless and mentally disabled individuals
who are capable of living independently.

The building renovation is a result of a broad-based
public/private partnership. To support this partnership,
Ulster Savings Bank secured a \$250,000 grant from the
FHLBank of New York's AHP. The funds were used to
reduce rehabilitation and conversion costs. The \$4
million project was funded by New York State Housing
Finance Agency, the New York State Department of
Social Services and HUD's Permanent Housing for the
Handicapped Homeless Program.

FHLBank of Pittsburgh

Project: Hosanna Industries, Inc., Bakerstown,
Pennsylvania

Award Recipients:

- Mars National Bank, Mars, Pennsylvania
Hosanna Industries, Inc., Bakerstown, Pennsylvania

Project Profile: Construction and housing
rehabilitation program benefiting 46 families.

Project Summary: Hosanna Industries provides free
labor for the construction and rehabilitation of homes.
Similar to the local Habitat for Humanity, which
frequently seeks Hosanna's counsel, the group invites
volunteers to work on projects. Homeowners are
encouraged to contribute modest amounts for materials
and/or assist with the labor.

Mars National Bank secured a \$96,600 grant from
the FHLBank of Pittsburgh's AHP to help pay for the
materials for rehabilitation and construction. Other
funding comes from community churches and private
contributions. When feasible, existing homes are

repaired, rehabilitated, winterized or made accessible for residents with disabilities.

FHLBank of Atlanta

Project: Presley Woods, Atlanta, Georgia

Award Recipients:

- Tucker Federal Bank, Tucker, Georgia
- Project Interconnections, Inc., Atlanta, Georgia

Project Profile: Development of 40 units of rental housing for formerly homeless individuals with mental illness.

Project Summary: Presley Woods Apartments is a \$2.4 million development in the Kirkwood neighborhood of Atlanta. It opened its doors in October 1996 to meet the growing demand for permanent affordable housing with supportive services for formerly homeless, mentally ill individuals.

Tucker Federal Bank was one of six organizations that provided funding for the project, securing a \$184,400 grant from the FHLBank of Atlanta's AHP. Additional funding partners include the Corporation for Supportive Housing, Enterprise Mortgage Investments, Inc., Georgia Housing and Finance Authority, National Equity Fund and NationsBank.

Rent subsidies for all 40 units are provided through HUD's Shelter Plus Care and Project-Based Section 8 Programs.

All 40 units in Presley Woods are arranged around a courtyard in two-story apartment buildings and a one-story central building where offices and recreational

facilities are housed. This design is the result of collaboration between architects, mental health services clients and professionals, and neighbors. Presley Woods' residents represent 80 percent of the property management staff on site performing maintenance and front desk duties.

FHLBank of Cincinnati

Project: "Hammering in the Hills," rural Appalachian counties in Kentucky, Tennessee, Virginia, and West Virginia

Award Recipients:

- Central Appalachian Peoples Federal Credit Union, Berea, Kentucky
- Community Trust Bank, NA, Pikeville, Kentucky
- Farmers State Bank, Booneville, Kentucky
- First Federal Savings & Loan Association, Morehead, Kentucky
- Great Financial Bank, FSB, Louisville, Kentucky
- Hyden Citizens Bank, Hyden, Kentucky
- Union Planters Bank of the Tennessee Valley, Harriman, Tennessee
- Federation of Appalachian Housing Enterprise, Inc., Berea, Kentucky
- Kentucky Habitat for Humanity, Lexington, Kentucky
- Habitat for Humanity International, Americus, Georgia

Project Profile: Partnership to build 150 single-family homes for rural low- and very low-income families.

Project Summary: "Hammering in the Hills" is a

Federal Housing Finance Board Chairman Bruce A. Morrison was the keynote speaker at the 3rd annual Community Partnership Award ceremonies held June 11 on Capitol Hill.



\$7.75 million project to build 150 single-family homes through a partnership of the FHLBank of Cincinnati, seven of its members, Habitat for Humanity, Federation of Appalachian Housing Enterprises, Inc. (FAHE), and hundreds of volunteers and Community partners.

Through the FHLBank of Cincinnati's AHP, seven members received \$1.24 million in direct subsidies to help finance 124 of the "Hammering in the Hills" homes. As a long-time partner of both project sponsors, the FHLBank of Cincinnati provided technical assistance and took a leadership role in structuring the project.

Through Habitat's 1997 Jimmy Carter Work Project, 2,000 volunteers joined former President and Mrs. Carter to build 50 "Hammering in the Hills" houses. Another 40 were built by other Habitat affiliates, and the remaining 60 were built through FAHE's "Partnership Build."

FHLBank of Indianapolis

Project: Equity Fund IV, Indianapolis, Indiana
Award Recipients:

- Union Federal Savings Bank, Indianapolis, Indiana
- Eastside Community Investments, Inc., Indianapolis, Indiana

Project Profile: Renovation of 29 abandoned houses to create 51 units of rental housing for very low-income families.

Project Summary: As part of its ongoing effort to provide affordable housing, Eastside Community Investments, Inc. (ECI), worked with limited partners and their subsidiaries, created 51 rental units of low-cost and low-maintenance housing for very low-income families. The eastside neighborhood of Indianapolis, where the housing is located, is a very low-income area, and the majority of residents qualify for housing assistance. This project aimed to address the demand for in-city, quality, affordable housing, and an overall need to improve the quality of housing in the community.

Union Federal Savings Bank was a vital player in the \$3.2 million funding package for this project. The bank provided a \$1.3 million loan backed with funding from the FHLBank of Indianapolis' CIP. It also obtained a grant of nearly \$325,000 from the FHLBank's AHP. This combination of funding lowered the debt service on the project and allowed residents' rents to be at levels affordable to families earning 30 to 50 percent of area median income.

Additional funding was provided by a Community Development Block Grant, HUD's Rental Rehabilitation

Program and McKinney Homeless Assistance Program, the Indianapolis Neighborhood Housing Partnership, and National Equity Fund.

FHLBank of Chicago

Project: Large Family, Affordable Housing Program, Stevens Point, Wisconsin

Award Recipients:

- Anchor Bank, SSB, Madison, Wisconsin
- CAP Services, Inc., Stevens Point, Wisconsin

Project Profile: Acquisition and rehabilitation program to provide homes for large, low-income families.

Project Summary: CAP Services' Large Family Affordable Housing Program offers homes with at least four bedrooms to rent to large or extended lower income families, and provides support services to assist the families in increasing their self sufficiency. CAP Services' has 19 homes in the program, and five were funded through a partnership between Anchor Bank, SSB, and the FHLBank of Chicago.

Anchor Bank obtained a \$20,000 grant through the FHLBank of Chicago's AHP and provided \$163,000 in mortgage financing to enable CAP Services to acquire the additional homes. Other funding sources for the \$343,000 project included HOME Rural Housing Development, Stevens Point Community Development Office, Stevens Point Housing Trust Fund, and CAP Services' Weatherization Program.

The majority of families in the program are members of the Hmong community, who traditionally live in extended family households. Hmong families are also represented on CAP Services' board of directors and are involved in the ongoing management and monitoring of the program.

FHLBank of Des Moines

Project: The Maine Apartments, Des Moines, Iowa
Award Recipients:

- AmerUs Life Insurance Company, Des Moines, Iowa
- Anawim, Des Moines, Iowa

Project Profile: Renovation of an historic building to create affordable rental housing for 18 low-income families.

Project Summary: The Maine Building was constructed in 1913 when apartments were usually built above stores, not as stand-alone buildings. The renovation of the building more than 80 years later provides a cornerstone project for revitalization in the heart of Des Moines' inner city.

The co-developers of the Maine Apartment Project. Anawim Housing and AmerUs Properties Corporation. worked with other development agencies such as the Iowa Housing Corporation and Polk County Housing Trust Fund in the neighborhood revitalization effort. The 18 new apartment units in the Maine are rented to families or with incomes at or below 60 percent of the area median.

To support the nearly \$2 million project. AmerUS Life Insurance Company secured a \$74,935 grant from the FHLBank of Des Moines AHP. Additional funding sources include a loan from American Mutual Life. equity from AmerUs Properties. and a loan from the Iowa Finance Authority Housing Assistance Fund. Other funding was provided by the Neighborhood Finance Corporation, deferred developer fees. and other private and government sources.

FHLBank of Dallas

Project: Community Rental Project. San Antonio. Texas

Award Recipients:

- USAA Federal Savings Bank, San Antonio, Texas

- San Antonio Alternative Housing Corporation. San Antonio. Texas

Project Profile: Rehabilitation and construction of 18 single-family homes as affordable rental housing for very low-income families.

Project Summary: The San Antonio Alternative Housing Corporation's (SAAHC) Community Rental Project focused on developing affordable, scattered site rental units in a very low-income neighborhood of San Antonio, Texas. In the immediate area of this project, the average median income for a family of four was \$5,000. While rental units in the area have become more scarce over the past decade, rents have doubled. In the Community Rental Project. eight houses were rehabilitated and 10 new homes were built on lots purchased by the SAAHC,

Funding for the \$645,000 project came from an AHP grant of \$89,820 secured by USAA Federal Savings Bank from the FHLBank of Dallas, a loan of \$267,000 from USAA Federal Savings Bank, and a zero-percent loan of \$75,000 from the San Antonio Housing Trust. The balance of funding came from SAAHC. The Enterprise Foundation provided interim financing.



Sen. Max W. Cleland (D-Georgia), right, presents a Community Partnership Award plaque to Sabrina Freney, Executive Director of Project Interconnections, Inc., a nonprofit housing group in Atlanta, Georgia.. The nonprofit, along with Tucker Federal Bank, Tucker, Georgia, shared the award in the housing category from the FHLBank of Atlanta district. Left to right are Bruce A. Morrison; Betty Petrides, Executive Vice President of Tucker Federal Bank, Tucker, Georgia; and Paul Hill, President of the FHLBank of Atlanta.

FHLBank of Topeka

Project: Kelly House I & II, Topeka, Kansas
Award Recipients:
Capitol Federal Savings and Loan Association.
Topeka, Kansas

Contemporary Housing Alternatives, Topeka, Kansas
Project Profile: Development of 16 units of affordable rental housing for very low-income senior citizens living with Alzheimer's disease.

Project Summary: This \$450,000 effort resulted in the construction of two congregate group homes - Kelly House I and Kelly House II, which provide common living areas for eight individuals afflicted with Alzheimer's disease but not yet requiring an intense level of health care. The minimum rent is designed to be affordable to residents that received only Social Security income, while the maximum rents charged will be affordable to those earning 80 percent of the area median income or less.

Total development costs for the project were \$547,000. Capitol Federal provided a \$378,000 permanent mortgage-loan for the project and secured an \$86,000 AHP grant from the FHLBank of Topeka to support Kelly House I and II, which are projects of Contemporary Housing Alternatives, a nonprofit corporation established to provide housing for the elderly, the handicapped, and persons with special needs.

Additional funding sources for the Kelly Houses included the City of Topeka, which donated land and provided financial support, and the Veterans Administration.

FHLBank of San Francisco

Project: Round Walk Village, Petaluma, California
Award Recipients:
California Federal Bank, San Francisco, California
Burbank Housing Development Corporation.
Santa Rosa, California

Project Profile: Development of 129 units of multifamily rental housing.

Project Summary: Both California Federal Bank (CalFed) and Burbank Housing Development Corporation (BHDC) have a long and successful history using the FHLBank of San Francisco's AHP. Since 1990, CalFed has received \$22.4 million in AHP funds to support approximately 7,400 units of housing in 5 rental or homeownership projects; BHDC has been

awarded \$2.2 million in AHP grants for 493 affordable homeownership and rental units.

BHDC designed Round Walk Village not only as housing, but also as a community. Seven district neighborhoods are contained in the development, each within its own courtyard and open space. A loop, or "round walk," of pedestrian paths connects the communities. A community center and a store/cafe are focal points that reinforce the sense of neighborhood. An active resident association handles property management issues, provides community homebuyer training, and supports educational and recreational programs.

To support Round Walk Village, CalFed is providing permanent financing and a using \$248,000 grant from the FHLBank of San Francisco's AHP as gap financing.

FHLBank of Seattle

Project: Lincoln County Homeowner Partnership Program, Lincoln County, Oregon
Award Recipient:

▪ The Bank of Newport, Newport, Oregon

Project Profile: Downpayment assistance and mortgage finance program that enabled 78 lower income families to purchase their own homes in rural Oregon.

Project Summary: The Lincoln County Homeowner Partnership Program is the first comprehensive homeownership program for low-income families in this Oregon county. The Bank of Newport developed the program by assembling a committee to oversee the effort, including applying for a \$500,000 AHP grant from the FHLBank of Seattle for downpayment assistance, reducing its closing costs and mortgage rates for participants, and donating staff time. In addition, the bank developed materials in Spanish to allow local Hispanic families to participate in the program. The average price of homes sold through the program was \$59,000 and the average annual family income was \$16,200, or 62.5 percent of area median.

The partnership is a model of how a small community bank can create an effective partnership by identifying and marshaling all available resources. The partners drawn together for this effort included the Lincoln County Housing Authority, the Lincoln County Association of Realtors, the Newport Urban Renewal Authority, and a local title company and attorney that reduced their fees to support the program.

Community Development Category

“Quality of Life” Projects Highlight Winners

FHLBank of Boston

Project: The Pines Senior Living Community.
South Burlington, Vermont

Award Recipients:

- The Howard Bank, Burlington, Vermont
- Vermont Federal Bank, Williston, Vermont
- Vermont Housing Finance Agency Burlington, Vermont
- Green Mountain Development Group.
South Burlington, Vermont

Project Profile: Development of newly constructed rental housing for 125 low-income senior citizens.

Project Summary: The Pines Senior Living Community provides safe, modern and efficient one and two-bedroom apartments for senior citizens earning less than 60 percent of area median income. Convenient to public services and a retail center, the housing community is designed to provide the personal care and supervision that will allow seniors to age with dignity, providing opportunities for prolonged independence.

Vermont Federal Bank secured a subsidized advance of \$1.8 million from the FHLBank of Boston's AHP to support Phase 1 (53 units) of the development. The Howard Bank used a 1-year, \$3 million advance from the FHLBank of Boston's CIP to enable the Vermont Housing Finance Agency to fund Phase 2 (33 units) and 3 (39 units).

The Howard Bank lent the funds to the housing agency, which used the loan to purchase a government security necessary for collateral to enable the housing agency to secure CIP funding for the project's permanent financing. In total, 10 organizations collaborated with the Green Mountain Development Group in planning and funding the project

FHLBank of New York

Project: New Community Rectory Annex Office Building, Newark, New Jersey

Award Recipients:

- Penn Federal Savings Bank, West Orange, New Jersey
- New Community Rectory Annex Urban Renewal Corporation, Newark, New Jersey

Project Profile: Renovation of former rectory to create office space for the New Community Corporation, a community organization working to revitalize downtown Newark.

Project Summary: In 1986, the New Community Corporation purchased a church and adjacent property located in the University Heights neighborhood area near downtown Newark. The properties were owned by the Roman Catholic Archdiocese of Newark. The church building was renovated for commercial use, and the rectory was left vacant until 1996 when the agency's growth resulted in the need for new office space. The New Community Corporation renovated the rectory building to create 6,000 square-feet of handicapped-accessible office space, which is now leased to the corporation and its affiliate organizations.

Penn Federal Savings Bank supported this project by securing a 10-year, \$465,000 advance from the FHLBank of New York's CIP. The lower interest rate and longer maturity of the advance enabled Penn Federal to provide the financing on the terms needed by New Community Corporation. The long-term loan supplemented \$385,000 in equity provided by New Community.

FHLBank of Pittsburgh

Project: Keswick Avenue Business District.
Glenside, Pennsylvania

Award Recipients:

- Abington Savings Bank, Jenkintown, Pennsylvania
- Commercial Economic Development Committee of Abington Township

Project Profile: Business district improvement program to stimulate economic development in a predominately low-to-moderate income area.

Project Summary: This is a below-market-rate loan program to assist businesses in the Keswick Avenue Business District to make building and facade improvements as well as changes in lighting, sidewalks and parking to enhance the attractiveness of this retail neighborhood. The Commercial Economic Development Committee (CEDC) of Abington Township used a variety of funding sources to secure \$1,506,600 for the Keswick project. Abington Savings

Bank, a CEDC member, is using a \$500,000 advance commitment from the FHLBank of Pittsburgh's CIP to support the project.

Additional funding is from Community Development Block Grant funds and a Local Economic Revitalization Tax Act program, which allows the improvements to be exempt from township, county, and school taxes for 5 years.

The project promotes and reinforces a positive business climate and sound economic development. In addition, a portion of the funds have been used to improve some of the 95 apartments located on the upper floors of area businesses.

FHLBank of Atlanta

Project: Darden Oaks, Opelika, Alabama
Award Recipients:

- AuburnBank, Auburn, Alabama
- Alabama Council on Human Relations, Auburn, Alabama

Project Profile: Development of 42 units of rental housing for low-income families including 2 units equipped for persons with disabilities.

Project Summary: With a total development cost of \$2.4 million, the Darden Oaks Complex includes four, two-story townhouse buildings with two-bedroom and three-bedroom units. There is also a one-story building with two units equipped for persons with disabilities. The complex has a central communal area and is adjacent to the Alabama Council on Human Relations' Head Start center and social services building.

The project was funded with a \$365,000 first mortgage from AuburnBank, backed with an advance from the FHLBank of Atlanta's CIP, and has more than \$2.1 million in HOME funding from the Atlanta Housing Finance Authority. Below market rate construction financing and technical assistance was provided by SEEDCO, a national intermediary organization.

FHLBank of Cincinnati

Project: Lease Purchase Program, Cleveland, Ohio
Award Recipients:

- Charter One Bank, FSB, Cleveland, Ohio
- Ohio Savings Bank, FSB, Cleveland, Ohio
- Cleveland Housing Network, Inc., Cleveland, Ohio

Project Profile: Development of a lease-purchase program involving 900 housing units affordable to low-income families.

Project Summary: The combined challenge of urban revitalization and homeownership is being met in Cleveland through an innovative partnership of the Cleveland Housing Network (CHN) and two Cleveland financial institutions.

Through the FHLBank of Cincinnati's CIP and AHP, Charter One Bank and Ohio Savings Bank received \$6.3 million to provide below-market-rate bridge and permanent financing for six Lease Purchase Program limited partnerships. Nearly 900 single-family housing units were created, the CHN Lease Purchase Program allows tenants to purchase their homes after 15 years. This encourages long-term affordability and community stability which is consistent with the FHLBank's housing finance mission.

In addition to the funding from the two FHLBank members, the \$56 million project received money from the State of Ohio and the City of Cleveland, and equity funding through the sale of Low Income Housing Tax Credits.

FHLBank of Indianapolis

Project: Avery Square, Sault Ste. Marie, Michigan
Award Recipients:

- FMB-Sault Bank, Sault Ste. Marie, Michigan
- C-L-M Community Action Agency, Sault Ste. Marie, Michigan

Project Profile: Development of a mixed-use building combining retail space with 57 moderately priced units of housing for elderly.

Project Summary: The Avery Square project provides the potential to break new ground in revitalizing downtown areas that have lost their commercial centers. By combining 57 units of housing with commercial space, the residents form the nucleus of the consumer group for the businesses, and the retail center activities provide interest and excitement for the elderly housing residents.

The first floor contains more than 14,000 square-feet of retail space with an additional 14,000 square-feet occupied by the Chippewa County Health Department, made possible through the novel concept of "condominiumizing" a building. By melding "for profit" space, public service space and residential space into one building, the cost of constructing the residential portion has been subsidized, allowing for lower rents.

FMB-Sault Bank provided a \$900,000 loan and secured a \$140,000 AHP grant from the FHLBank of Indianapolis to assist in construction costs. Other funding sources for the \$9 million project included Federal, state and local government agencies, and grants

from private agencies. The Downtown Development Authority committed more than \$100,000 to improve lighting, signs and sidewalks in the area of the project.

FHLBank of Chicago

Project: Bloomington Day Care Expansion.
Bloomington, Illinois

Award Recipients:

- Heartland Bank & Trust Company, Bloomington, Illinois
 - Bloomington Day Care Center, Bloomington, Illinois
- Project Profile: Acquisition of two daycare centers to expand services to children of low-income families.

Project Summary: Bloomington Day Care is a 25-year-old nonprofit organization and the only federally subsidized daycare provider in the county. The center wished to expand its capacity and serve more of the 200 children on its waiting list. It chose to acquire two for-profit daycare centers for \$1.2 million, allowing it to serve an additional 250 children. The two centers were not operating at full capacity, and

Bloomington Day Care Center intended to have the new facilities serve both low- and middle income children.

Heartland Bank & Trust Company used a \$900,000 advance from the FHLBank of Chicago's CIP to provide the mortgage to purchase the two centers, marking the first time Heartland participated in the CIP. The additional key financing came in the form of a \$315,000 second mortgage from the Illinois Facilities Fund, a community development financial institution specializing in loans to nonprofit organizations.

FHLBank of Des Moines

Project: Kimball Rescue Hall, Kimball, Minnesota

Award Recipients:

- State Bank of Kimball, Kimball, Minnesota
- City of Kimball, Minnesota

Project Profile: Construction of a new site for the volunteer fire department in a very small rural town.

Project Summary: Prior to construction of its new building, Kimball's volunteer fire station, which serves a



Sen. James M. Jeffords, (D-Vermont), second from left, presents a Community Partnership Award plaque in the community development category to Brenda E. Dolan, Commercial Loan Officer, Vermont Federal Bank, Williston, Vermont. Left to right are John Giebink, Secretary and Treasurer, Green Mountain Development Group, Shelburne, Vermont; Sen. Jeffords; Ms. Dolan; Gisele M. Kloeckner, Vice President and Deputy CRA Officer, The Howard Bank, Burlington, Vermont; Chairman Morrison: Michael Jessee, President of the FHLBank of Boston.

small Minnesota town of 600 people, had been housed in cramped quarters in the basement of the city hall, which dated back to the early 1900s. The new location is large enough to house up to eight fire trucks. The new fire station proved its worth during a recent major fire at lumber yard that brought firefighters from four neighboring communities into Kimball to help combat the blaze. Firefighters used the building as a central meeting place and rest area during the fire fighting effort.

To support development of the new station house, State Bank provided a \$250,000 loan funded by an advance from the FHLBank of Des Moines' CIP. The City of Kimball contributed \$100,000 toward the \$350,000 cost of the fire station. The project supports the existing community by sustaining the city's fire and rescue service, which in turn helps to maintain current businesses and foster economic expansion.

FHLBank of Dallas

Project: Coastal Banc's Helping Hand Program.
Houston, Texas

Award Recipient: Coastal Banc, Houston, Texas

Project Profile: Participation in the FHLBank of Dallas Helping Hand Program, which helps low-income families purchase homes.

Project Summary: The Helping Hand Program is an innovative program developed by the FHLBank of Dallas to support homeownership for lower income families.

Through the program, the FHLBank of Dallas converts to grants a portion of the profit on the interest from qualifying advances made to members. Members, such as Coastal Banc, may use the grants to pay closing costs and prepaid mortgage costs, provide downpayment assistance, reduce the mortgage principal or provide a principal guarantee for qualified homebuyers.

Coastal Banc was an early participant in the program. The first Helping Hand Advance from the FHLBank of Dallas provided \$135,000 to establish Coastal's grant in mid-1996. Since then, the bank has used approximately \$94,000 from the fund to assist in financing 23 single-family mortgage loans for families at or below 80 percent of the area median income. In early 1997, a second advance allowed another \$113,000 to be added to the fund, bringing the current total to approximately \$150,000.

FHLBank of Topeka

Project: Jefferson Village. Winchester, Kansas

Award Recipients:

- Morrill & Janes Bank and Trust Company, Hiawatha, Kansas
- Northeast Kansas Community Action Program (NEK-CAP), Hiawatha, Kansas

Project Profile: Development of 24 units of rental housing for very low-income senior citizens in a rural community.

Project Summary: Located in Winchester, Kansas (population 613), Jefferson Village is newly constructed housing developed by NEK-CAP Inc., a nonprofit corporation that provides a broad range of services to low-income individuals. The housing was constructed adjacent to the Jefferson County Memorial Hospital, which allows the hospital to provide health, food, and housekeeping services to the residents. Apartments have been constructed to accommodate individuals with visual and hearing impairments, and other handicaps.

The one-bedroom apartments are affordable to senior citizens earning 60 percent of area median income or less.

Morrill & Janes Bank supported the \$1.5 million development by providing mortgage financing and securing an AHP grant of \$72,000 from the FHLBank of Topeka. The long-term mortgage loan was backed by a \$475,000, 30-year CIP advance from the FHLBank of Topeka through the FHLBank System-Rural LISC national partnership. LISC provided pre-development technical assistance and funding to aid the project. Additional funding sources included the State of Kansas and the sale of low-income housing tax credits to the National Equity Fund.

FHLBank of San Francisco

Project Name: Clearinghouse Community Development Financial Institution, Lake Forest, California

Award Recipients:

- Coast Federal Bank, Los Angeles, California
- Clearinghouse Community Development Financial Institution, Lake Forest, California

Project Profile: Establishment of the Clearinghouse Community Development Financial Institution (CDFI) to provide financing and direct investments for targeted affordable housing and economic development projects.

Project Summary: Coast Federal Bank has actively pursued creative partnerships with nonprofit organizations and government agencies that are involved in affordable housing and community development to deliver added value to its community partners.

One of its partners is the Affordable Housing Clearinghouse (AHC), which functions as a sponsor of loans rather than as a direct lender. that arranges participation of conventional lenders in loan requests submitted to the organization. The AHC works with more than 130 private and government agencies to increase funding for affordable housing in Southern California.

A strong need existed for a financial intermediary that could support worthwhile projects that could not be served by the traditional credit-delivery system. Coast Federal took a leadership role in establishing the Clearinghouse CDFI and in promoting the concept to other financial institutions. The Clearinghouse CDFI provides a direct lending source for projects that fall outside the AHC's brokering efforts. Its loan fund, provided by financial and corporate investors, will leverage funds for affordable housing and community development projects.

FHLBank of Seattle

Project: Navajo Nation Banking Initiative

Award Recipients:

- Zions First National Bank, Salt Lake City, Utah
 - Navajo Utah Commission. Montezuma Creek, Utah
- Project Profile: Partnership to increase the availability of affordable housing and banking services on the Utah portion of the Navajo Reservation.

Project Summary: The largest tribe in North America, the Navajo Nation currently needs more than 20,000 new homes for families living on the reservation. To address these problems, a partnership between Zions First National Bank, the Navajo Utah Commission, and the FHLBank of Seattle focused on removing barriers to private mortgage lending on trust lands and educating residents about homeownership, mortgage lending and credit.

This partnership was established in 1993 and, so far, has resulted in the creation or renovation of 136 homes on the Navajo Reservation using \$896,000 in five AHP grants awarded to Zions First National Bank. Labor for these construction projects was provided by Navajos in the commission's job training program. Zions also committed to originate \$2.7 million in HUD Section 184 insured mortgages to Navajo families. In 1995, Zions established its first branch bank on the Utah portion of the Navajo Reservation in Montezuma Creek; previously, the nearest bank was 40 miles away. The branch is staffed by Native Americans and also includes a 24-hour ATM and a phone that provide access to banking services and account information 24 hours a day.

Mid-Atlantic Fair Housing Summit

hosted by

The Fair Housing Council of Greater Washington

Sheraton Crystal City
Arlington, Virginia

October 31 - November 1

The summit will address current and emerging fair housing issues in areas of lending, rental, sales, insurance, advertising and appraisals. This event is planned for real estate and financial professionals, government representatives, and fair housing advocates.

For more information, or to register as a promoter or sponsor for the project, contact David Berenbaum, Executive Director, The Fair Housing Council of Greater Washington, Suite 500, 1212 New York Avenue, Washington D. C. 20005, or call (202) 289-5460.

RESOURCES

"Supportive Housing Options" is a new newsletter from the National Resource and Policy Center on Housing and Long Term Care of the Andrus Gerontology Center. UCLA, Los Angeles, CA 90089-0191. or by calling (213) 740-1364.

"Building Community," a 31-page book examining the reasons for the current breakdown of community cohesiveness is available for \$9 from Independent Sector, 1828 L Street, Washington, DC 20036, or by calling (202) 223-8100.

"Meeting America's Housing Needs -- The Affordable Housing Tax Credit Program: A Decade of Success" is a recent publication by the Affordable Tax Credit Coalition. The report documents the success of the tax credit program since 1986, leveraging more than \$12 billion in private-investments, generating 90,000 jobs, \$3.1 billion in wages, and \$1.5 billion in taxes each year. For more information, contact the Affordable Housing Tax Credit Coalition, Suite 800, 1255 23rd Street NW, Washington, D.C. 20037, or call (202) 973-7739.

"Models of Community Lending: Neighborhood Revitalization Through Community/Lender Partnerships" was recently released by the National Community Reinvestment Coalition. Sections of the 260-page book include an analysis on how and why partnerships work, nine models of community-lending partnerships, and a compilation of nearly 400 partnerships and a brief summary of each collaboration. For more information, contact the NCRC, Suite 540, 733 15th Street NW, Washington D.C. 20005. or call (202) 628-8866.

"The Bibliography" is a definitive summary of the literature and other resources published in the last decade regarding community economic development.. It cites 300 entries including journal articles, magazines and other popular periodicals, monographs, books, conference papers, bibliographies, and videos. For more information contact the National Congress for Community Economic Development, Suite 325, 11 Dupont Circle, Washington, D.C. 20036, or call (202) 234-5009.

"Models that Work" was produced by America's Community Bankers to identify and promote 50 examples of successful housing and community development partnerships developed by the National Partnership in Homeownership. For more information contact Sarah Welborne at ACB, Suite 400, 900 19th Street NW, Washington, D.C. 20006. or call (202) 857-3103.

"Picking Up the Pieces: A Guide to Restoring Rural Housing and Communities After a Disaster" is now available from the Housing Assistance Council. The publication is free to disaster victims and Community organizations in disaster areas, and \$5 for all others. For more information contact Luz Rosas at (202) 842-8600, or visit the HAC web site <http://www.ruralhome.org>.

The 1997 Affordable Housing Index of Financing Sources" was recently released by the Business Communication Series. The \$60 book lists nonprofit and for-profit funding sources, program descriptions, indexes by state, and CRA ratings.. For a copy call Rob Freeman of BCS at (415) 546-7255.

"Building Systems of Support for Neighborhood Change" is a new publication from the Center for Community Change describing a variety of approaches to broadening community groups' support systems, including access to funding, organizing, coalition building, and other help. For copies of the \$10 book, write to Publications, CCC, 1000 Wisconsin Avenue NW, Washington, D.C. 20037.

Building Blocks is published quarterly by the Federal Housing Finance Board, Office of Public Affairs, 2nd Floor, 1777 F Street, N.W., Washington, D.C. 20006. The telephone number is (202) 408-2810

Chairman

Bruce A. Morrison

Editor/Writer

Dennis O. McGee
