First Niagara Bank
“A BANKING PERSPECTIVE”
A brand new day of housing options for OPWDD

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How does the Bank fit In?

• Think of First Niagara Bank as a:
  ▪ funder
  ▪ trusted advisor
  ▪ problem solver

• First Niagara Bank:
  ▪ Provides capital, to include construction, permanent and bridge financing.
  ▪ Provides Interest rate risk protection and consultation

• First Niagara Bank:
  ▪ On 15 year terms
  ▪ 30 year fixed rates (YEAH!)

• The past is over – the PPA is gone! Creativity IS IN!
Thinking “out of the box” on Mixed Use Housing Projects
First Niagara Bank

- Private Placement Tax exempt Bonds –
  - No more letters of credit
  - No more third party bond purchasers
  - 2.0% points less than conventional borrowing
  - 30 year fixed rates
  - ½ the fees of Old DPLOC bond deals
- First Niagara Bank provides working capital lines of credit, treasury management as well as tax exempt financing
Federal Home Loan Bank of New York (HLB)
Affordable Housing Program (AHP)
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- The HLB is committed to providing affordable housing opportunities to families and communities. The Affordable Housing Program along with First Home Club℠, provide community-based organizations and families with much needed funds to build housing units.

- **Affordable Housing Program (AHP)**
  AHP provides subsidized advances and grants to Member Banks to help households earning 80% or less of the area median income purchase or maintain their homes. It also enables organizations to purchase, rehabilitate, or construct apartment buildings in which at least 20% of the units are affordable to households earning 50% or less of the area median income.

- **First Home Club℠ (FHC)**
The FHC is a first-time homebuyers program that provides grants of up to $7,500 to help households earning 80% or less of the area median income overcome the financial difficulties of purchasing a home.

Note: The FHLBNY does not offer funding directly to homeowners or organizations. For more information on AHP, visit [http://www.fhlbny.com/community/housing-programs/index.aspx](http://www.fhlbny.com/community/housing-programs/index.aspx). First-Time Homebuyers interested in FHC, should contact First Niagara Bank so they can determine eligibility and enroll you in the program.
What is needed to advance a project with a bank?

Your Agency should prepare:
• A Total Cost Breakdown
• A Feasibility study
• Sources and Uses of Cash
• An Appraisal
• Your Project does not have to be certified!
• Your agency or group should be open to multiple sources of funding
• The project should have a reasonable timeline
• You may want to consider partnering with an agency/entity that has a track record—BUT NOT MANDATORY
• Look for creativity from your trusted advisors
  ▪ The Bankers and attorneys can work together to provide a viable solution
  ▪ Your banker or consultant should be trying to minimize costs so your project cash flows and is viable.
Why experience matters

• Partnering with someone who has experience is critical. Who is this? Consultant, banker, attorney

• Inexperience costs money
  ▪ Legal Bills escalate
  ▪ The interest rate environment is volatile

• Experience saves money
  ▪ Experienced partners anticipate problems
  ▪ “Bumps in the road” can become costly
Old

- Real Estate was financed over 15 years – PPA/Certified
- Group homes averaged $500,000
- Limited options for financing
- Projects were 100% financed
- Few OPWDD agencies were utilizing Tax Credits, FHLB or tax Exempt Bonds
- Many projects were single use, single population

New

- Real Estate and Independent living facilities may be financed over 30 years
- 30 year fixed rates are available with the ability to cancel after 10 or 15 years
- More flexibility
- Banks will look for 80% to 100% Loan to Value
- Size and scope of the projects have grown and average $3MM+
- More sophisticated financing options are available given the size.
- Creativity plays more of a role
- Multiple Sources of funds
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