

First Niagara Bank

“A BANKING PERSPECTIVE”

A brand new day of housing options for OPWDD

PREPARED BY

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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

- 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)

Federal Home Loan Bank of New York (HLB) Affordable Housing Program (AHP)

- The HLB is committed to providing affordable housing opportunities to families and communities. The Affordable Housing Program along with First Home Clubsm, 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 Clubsm \(FHC\)](#)
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>. First-Time Homebuyers interested in FHC, should contact First Niagara Bank so they can determine eligibility and enroll you in the program.

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.

- 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

Contact Information

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