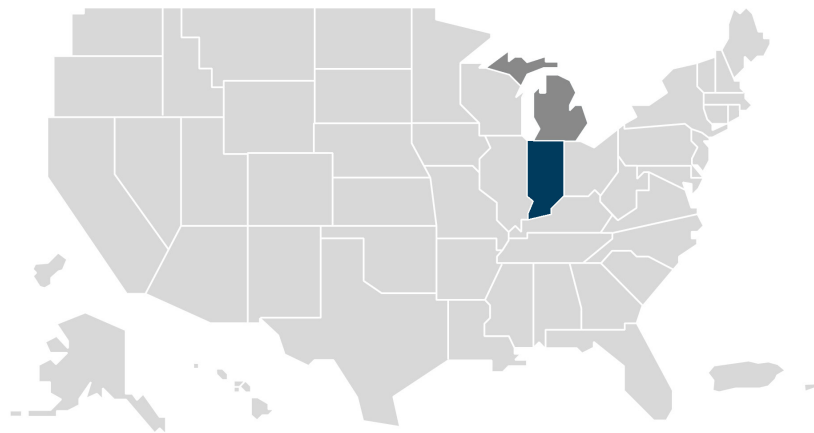


ENHANCING LIVES, IMPACTING COMMUNITIES: THE FEDERAL HOME LOAN BANK SYSTEM



INDIANA
STATE REPORT

INDIANA STATE REPORT

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Since its creation in 1989, the Federal Home Loan Bank System’s Affordable Housing Program (AHP) has been a substantial and valuable source of real estate equity for the financing of affordable housing in the United States. From 1990 through 2016, the 11 Federal Home Loan Banks (FHLBanks) collectively contributed more than \$4.1 billion (\$5.4 billion in inflation-adjusted dollars) in AHP real estate finance equity for rental, home construction and rehabilitation activities. This equity was combined with \$65.7 billion (\$83.9 billion in inflation-adjusted dollars) in leveraged dollars from other private and public sources, enabling \$69.9 billion (\$89.3 billion in inflation-adjusted dollars) in total development funding for more than 601,000 housing units. From 1995 through 2016, the FHLBanks also collectively contributed approximately \$1.0 billion (\$1.2 billion in inflation-adjusted dollars) in AHP equity for down payment assistance and mortgage principal reduction, assisting more than 183,000 home purchase activities. Each FHLBank allocates at least 10 percent of its annual net earnings to fund its AHP. As such, the continued operating and mission success of the FHLBanks has directly enhanced the development and purchase of affordable housing throughout the country and has had a positive impact on local and state economies and on the national economy. The state of Indiana is in the Indianapolis district. This report details the economic impact of housing within Indiana that has been enhanced by AHP funding from 1990 through 2016.*

* Note: some projects within Indiana may have received AHP funding from a Federal Home Loan Bank other than FHLBank Indianapolis. For further detail on the economic impact study methodology, please see: Study Methodology and Appendices Report.

INDIANA Rental, Home Construction and Rehabilitation Activities

Economic Basis



\$153.75 MILLION

TOTAL AHP SUBSIDY

AHP provides real estate finance equity for both rental and for-sale housing. AHP is more often referred to as a subsidy or grant and is delivered to FHLBank-member financial institutions to assist in the funding for construction, rehabilitation and purchase of affordable housing.

\$191.15 MILLION

TOTAL AHP SUBSIDY INFLATION-ADJUSTED



\$930.48 MILLION

DEVELOPMENT COST

Development Cost refers to the cost of acquiring land or pre-existing housing units, demolition and/or relocation costs and any costs incurred while constructing, rehabilitating or redeveloping housing.

\$1.12 BILLION

DEVELOPMENT COST INFLATION-ADJUSTED



1,674

PROJECTS

Projects refers to the distinct use of AHP funding for a specific acquisition, construction or rehabilitation of building(s) or housing unit(s).



15,327

TOTAL UNITS

Total Units refers to the total number of single-family and multifamily units constructed using AHP funding, where each individual dwelling unit in a multifamily building is counted separately.

Inflation-Adjusted refers to the measure of return that takes into account the time period's inflation rate. For example, \$100 in 1990 is worth \$192 in 2018. This study reports all economic impacts in inflation-adjusted dollars.

INDIANA Home Purchase Activities

Economic Basis



\$30.56 MILLION

TOTAL AHP SUBSIDY

AHP provides real estate finance equity for both rental and for-sale housing. AHP is more often referred to as a subsidy or grant and is delivered to FHLBank-member financial institutions to assist in the funding for construction, rehabilitation and purchase of affordable housing.

\$37.97 MILLION

TOTAL AHP SUBSIDY INFLATION-ADJUSTED



\$255.83 MILLION

FIRST MORTGAGES

First Mortgages refers to the volume and value of first-lien position mortgages financed by lenders in a home purchase activity.

\$291.37 MILLION

FIRST MORTGAGES INFLATION-ADJUSTED



5,674

TOTAL UNITS

Total Units refers to the total number of single-family and multifamily units constructed using AHP funding, where each individual dwelling unit in a multifamily building is counted separately.

Inflation-Adjusted refers to the measure of return that takes into account the time period's inflation rate. For example, \$100 in 1990 is worth \$192 in 2018. This study reports all economic impacts in inflation-adjusted dollars.

INDIANA Rental, Home Construction and Rehabilitation Activities

Economic Impact



\$2.10 BILLION

TOTAL ECONOMIC BENEFITS

Total Economic Benefits measure the economic activities associated with rental, home construction and rehabilitation enhanced by AHP funding.



16,110 JOBS

JOB CREATION

Job Creation includes new full-time, part-time, temporary, permanent, salary-based and fee-based jobs generated by the addition of AHP-enhanced rental, home construction and rehabilitation activities.



\$751.65 MILLION

LABOR INCOME

Labor Income refers to all forms of income that stem from employment, such as salaries and hourly wages and profits made by developers, builders and contractors.

1.88

MULTIPLIER (IMPLAN Factor)

Multiplier is a term used for the economic ripple effect measured by an economic impact model. In this case, the multiplier effect accounts for how each additional job or dollar of output enhanced by AHP funding impacts the home construction and rehabilitation of affordable rental and housing units.

\$63.26 MILLION

TAX REVENUE

Tax Revenue includes the revenue generated by local and state taxes related to rental, home construction and rehabilitation.

All dollars are in inflation-adjusted dollars.

INDIANA Home Purchase Activities

Economic Impact



\$617.06 MILLION

TOTAL ECONOMIC BENEFITS

Total Economic Benefits measure the economic activities associated with home purchases, enhanced by AHP funding.



4,756 JOBS

JOB CREATION

Job Creation includes new full-time, part-time, temporary, permanent, salary-based and fee-based jobs generated by the addition of AHP-enhanced home purchase activities.



\$162.22 MILLION

LABOR INCOME

Labor Income refers to all forms of income that stem from employment, such as salaries and hourly wages and profits made by developers, builders and contractors.

1.98

MULTIPLIER (IMPLAN Factor)

Multiplier is a term used for the economic ripple effect measured by an economic impact model. In this case, the multiplier effect accounts for how each additional job or dollar of output enhanced by AHP funding impacts the home purchases of affordable housing units.

\$19.45 MILLION

TAX REVENUE

Tax Revenue includes the revenue generated by local and state taxes related to rental, home construction and rehabilitation.

Crawford Apartments



Crawford Apartments

For residents of a city like Bloomington, Indiana, which has one of the most expensive real estate and rental markets in the state, finding shelter and support is a major challenge. Bloomington has among the highest per-capita homeless population in the state, and many homeless are suffering from mental illness and addiction. Fortunately, that's beginning to change with the expansion of the Crawford Apartments, supported by a \$500,000 Affordable Housing Program (AHP) grant secured by FHLBank Indianapolis, member Old National Bank and LifeDesigns, a nonprofit organization that develops housing for people with disabilities.

In 2012, FHLBank Indianapolis awarded an initial \$380,000 AHP grant to LifeDesigns and Old National Bank to build the first phase of the Crawford Apartments. That development provided 25 units of permanent supportive housing for disabled people experiencing homelessness. The Crawford II expansion provides an additional 36 one-bedroom units.

"Crawford II follows the success of Crawford I—a permanent supportive housing model that's shown great results," says Bloomington Mayor John Hamilton. "It helps people without housing to first get housing and then work on other aspects of life like employment and education."

Providing permanent shelter without a move-out date, plus guided case management and support, is needed to address the underlying issues affecting people experiencing homelessness. Whether they suffer from mental illness, addiction or trauma, the residents at Crawford are getting the support they need to have a better life.

"FHLBank Indianapolis is proud to be a funding partner with properties like the Crawford apartments, which demonstrate an innovative approach to serving the community," says Mary Beth Wott, FHLBank Indianapolis community investment officer. "By providing wraparound services to their residents, we know that this property is not only going to provide people in need a place to live—it's going to change lives."

"These apartments are life-changing and life-saving," says Forrest Gilmore, executive director of the Shalom Community Center, which provides support services to Crawford. "We've seen all kinds of impacts, from significant health improvements to addiction reduction to proper health care, and happier people."

**Bloomington
Indiana**

INDIANA

Project Profile: Home Purchase Activity



Horizon Bank HOP

Horizon Bank has been focusing on improving homeownership rates in low- to moderate-income neighborhoods in northwest Indiana by combining funding from their loan programs with the Federal Home Loan Bank of Indianapolis's Homeownership Opportunities Program (HOP). In 2015, Horizon Bank set a goal of funding \$1 million toward home loans and home-improvement loans in these neighborhoods. They well exceeded their goal and continued to see borrowers in need of alternative loan programs, down payment assistance and help with credit repair. Based on continued needs, Horizon Bank increased its commitment in 2016 to set aside \$2.5 million, targeting low- to moderate-income neighborhoods within all markets Horizon serves in Indiana and Michigan.

This expanded commitment allowed Gary, Indiana resident Tony Payton to buy the home he formerly rented. When his landlord put the duplex up for sale, Tony saw an opportunity if he could come up with the closing costs. With help from Horizon Bank's loan program and HOP to assist with the down payment and closing costs, Tony was able to make the purchase and become a homeowner. "I had been living here as a renter, and I was tired of paying my landlord's mortgage," Tony says, now a landlord himself. "I wanted to be a homeowner. So far, it has worked out well."

SOURCES

Purchase Price	\$	58,373
Member Mortgage	\$	48,373
FHLBI Down Payment Assistance	\$	10,000

Old National Home Ownership Program



HOPE of Evansville

Old National Bank (Old National) assisted more than 220 households in making their dream of homeownership a reality by utilizing more than \$1.7 million in Homeownership Opportunity Program (HOP) grants in the past five years. HOP grants help homeowners with down payment and closing cost assistance. Old National partnered with community organizations such as Community Action, ECHO Housing Corporation, HOPE of Evansville, Inc., Habitat for Humanity and Memorial Community Development Corporation to reach potential homebuyers.

One of Old National's partners, HOPE of Evansville (HOPE), has developed a one-stop-shop approach designed to coach and empower neighbors to obtain and maintain safe and affordable housing. HOPE offers weekly orientation classes to teach community members about their programs, which participants can apply for after attending.

First-time homebuyers can receive financial counseling and homeownership classes through HOPE. Once homeowners complete the courses, HOPE assists them with applying for HOP grants offered through Old National Bank from Federal Home Loan Bank of Indianapolis. One of HOPE's most popular programs helps potential homebuyers earn down payment assistance on their home, where a client's minimum down payment of \$1,000 may be matched by HOPE on a two-for-one basis up to a maximum of \$3,000.

In 2016, 148 households received pre-purchase housing counseling, and 15 households purchased housing using HOPE's down payment assistance program. HOPE provided these households with a total of \$33,220 in down payment assistance. Households received an average of \$2,214 in down payment assistance. This assistance helped ensure these households have affordable housing payments, which will bring stability to their families. Additionally, HOPE built two new, single-family homes in 2016. These craftsman-style homes were built in the Culver Neighborhood of Evansville. Both homes were sold to low- to moderate-income households.

One of the new homeowners worked with HOPE for three years to build her credit and savings so she could purchase a home built by HOPE. These homes added \$245,000 in home sales to the local market and two new homeowners to this up-and-coming neighborhood. These are only a few examples of the impact of Old National's partnerships in the Evansville community. Together, Old National Bank and their partners are making the dreams of homeownership a reality.

**Evansville
Indiana**

INDIANA

Project Profile: Rental Activity



The Courtyard - AHP

The Courtyard, located in Fort Wayne, Indiana, provides 36 affordable apartment homes for young adults between the ages of 18 and 25 who are aging out of foster care, homeless or at risk of becoming homeless. In 2012, the Federal Home Loan Bank of Indianapolis awarded Old National Bank a \$500,000 Affordable Housing Program (AHP) grant to help fund the project. The project combined multiple funding streams with AHP including Fort Wayne Neighborhood Stabilization Program, Indiana Housing and Community Development Authority HOME program, local foundation contributions and Low-Income-Housing Tax Credits to demolish a 20-year vacant medical building and construct a new energy-efficient facility suitable for their tenants. The Courtyard’s design specifically includes only one common entrance to create a feeling of security and to allow monitoring of visitors, common spaces that include community rooms, computer areas, rooms for counseling, laundry and a teaching kitchen so residents can learn cooking and job skills. The Courtyard provides residents with onsite support services such as counseling, education, employment assistance and life coaching. The neighborhood has embraced the project as a catalyst for not only neighborhood vitality but empowering and supporting vulnerable youth.

SOURCES

Low-Income-Housing Tax Credits	\$	5,836,562
Tax Credit Assistance Program	\$	754,847
Fort Wayne Neighborhood Stabilization Program—Forgivable Loan	\$	691,602
AHP Subsidy	\$	500,000
Indiana Housing and Community Development Authority HOME	\$	377,950
Fort Wayne Neighborhood Stabilization Program 3—Loan	\$	308,398
Deferred Developer Fee	\$	135,904
Tippman Foundation	\$	100,000
Total	\$	8,705,263