



Affordable Housing Program Implementation Plan Summary of Changes and Availability of Other FHLB Programs

AHP Implementation Plan Summary of Changes

The Federal Home Loan Bank of Cincinnati’s (“the FHLB”) Board of Directors has approved changes to the Affordable Housing Program (“AHP”) Implementation Plan (“the IP”) for 2018. The following lists the material changes for the 2018 AHP Competitive offering. Please see a complete copy of the [2018 AHP Implementation Plan](#) available on the FHLB website for detailed program requirements.

Main Body of Implementation Plan

- All references to financial “*Attachments A – D*” have been replaced with the terms “*Development Budget*,” and/or “*Operating Budget*,” since the new AHP application will no longer use the financial Attachments.
- All parts of the Implementation Plan titled with the word “*Attachment*” have been renamed without inclusion of the word “Attachment” (e.g. “*Attachment A – Scoring Criteria*” is now just “*Scoring Criteria*”)
- Some language was moved from “*Modification of Projects*” to the ‘*Disbursements of Competitive AHP Subsidies*’ section in the main body of the IP. The goal is to provide greater clarity around requirements for disbursement of funds when changes to a project’s budgets occur.

Scoring Criteria

- **Community Stability** – Revised the scoring criterion for “**Projects located in a Qualified Census Tract**” to the following:

“Any project with 100% of its units located within a Qualified Census Tract as indicated by the HUD Qualified Census Tract Table Generator AND at least 20% of the project’s units targeted to households with incomes above 60% AMI.”	1.0 point
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- **Community Stability** – Revised the scoring criterion for “**Consistent with an Approved/Current Housing Plan**” to the following:

“Consistent with an approved/current housing assistance/neighborhood stabilization plan as certified by a governmental entity (all units in all counties must qualify) OR 100% of the project units are located in a census tract with an Average Income Factor greater than 60%.”	1.0 point
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- **Community Stability** – Added a scoring criterion for “**Preservation of owner-occupied housing**” with up to 5 points awarded based on the percent of units meeting the criterion:

“Preservation of owner-occupied housing for which at least \$5,000 in construction hard costs per unit (<i>reflected on the Funding Sources & Costs</i>) will be used to help maintain the unit’s habitability.”	5.0 point
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Project Feasibility Guidelines

- Revised the “**Total Project Costs per Unit**” from \$185,000 to “\$200,000” and the “**Total Project Costs per Bed**” from \$50,000 to “\$55,000.”
- Revised “**Debt Coverage Ratio**” language to the following”
“The “Debt Coverage Ratio” (DCR) is one of several key financial metrics the FHLB reviews when assessing the feasibility of projects with “Hard Debt”. The DCR is used to help the FHLB determine whether it is more likely than not that the project will remain viable during its lifecycle. As such, the FHLB generally requires a project’s DCR to remain between 1.00 and 1.50 through Year 15.

Note: Exceptions to this requirement may be made solely at the FHLB’s discretion and conformance with this requirement should not be considered a safe harbor.”

Other Housing and Community Development Programs

The FHLB will continue to offer the following programs in 2018. For complete information on any of these programs, please go to the [Community Investment](#) section of the FHLB’s website.

Welcome Home Program

The Welcome Home Program offers grants up to \$5,000 for down payment and closing costs assistance to low- and moderate income homebuyers. Eligibility is determined by total household income, as adopted by the appropriate state housing finance agency, adjusted for family size. The program will open for reservations on March 1. Funds are reserved on a first-come, first-served basis as long as funds are available.

Changes for 2018:

- The maximum interest rate is 7.50 percent; and,

Disaster Reconstruction Program

The Disaster Reconstruction program provides grants up to \$20,000 for homeowners and renters who suffered a loss due to a federal or state declared disaster. Applicants must have been residing in their primary residence at the time of the disaster and apply for the grant within 24 months. Eligibility is determined by total household income, as adopted by the appropriate state housing finance agency, adjusted for family size. Funds are reserved on a first-come, first-served basis as long as funds are available. This program is currently open.

Community Investment Program

The Community Investment Program offers discounted advances to Members to finance the purchase, construction, or rehabilitation of housing and economic development projects in areas with qualifying income and demographic factors.

Economic Development Program

The Economic Development Program offers discounted advances to finance commercial, industrial, agricultural, small business, public facilities, day care, and infrastructure projects in areas with qualifying income and demographic measures.

Zero Interest Fund

The Zero Interest Fund is a revolving \$2 million fund offering loans of up to \$100,000 to finance upfront infrastructure and acquisition costs in an effort to promote housing and economic development.