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 2019. The following lists material changes for the 2019 AHP Competitive offering. Please see a complete copy of the 2019 AHP Implementation Plan available on the FHLB website for detailed program requirements.

Main Body of Implementation Plan

- Set the AHP online application opening date to July 1 and the closing date to August 8.

Scoring Criteria

- **Outside Funding Commitments** – Revised criteria to designate permanent loans provided by a project’s Member as an “eligible funding source” for points in this category.

- **Project Sponsorship** – Revised criteria so that points are awarded when an “Eligible Sponsor” will fulfill the individual criterion in this category as the sole provider.

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

  “Any project creating residential economic diversity where 100% of its units are located in a census tract with an Average Income Factor greater than 60% OR at least 20% of the project’s units are targeted to households with incomes above 60% AMI.”

- **Community Stability** – Revised the scoring criterion for “Consistent with an Approved/Current Housing Plan” to the following:
Project Feasibility Guidelines

- Revised AHP subsidy limit from $1 million or 75 percent of the Total Project Costs to $1 million or 75 percent of AHP project’s Total Residential Costs.

- Added language to clarify that all operational feasibility calculations will use figures based on the project’s “Stabilized operations” where applicable. “Stabilized operations” is defined as the first year of a project’s operations where the vacancy ratio is normalized at a percentage of 10% or less.”

- Added a subsection for Other Operating Costs in order to clarify that site security may appear on the AHP Operating Budget Income & Expense as a housing expense for any rental project incurring such costs for project operations.

Retention Agreement Requirements

- In accordance with the revised AHP regulation, language was added indicating that retention will no longer be required for owner-occupied projects involving rehabilitation only. Retention will still be required on all other owner-occupied projects.

- Language was also added to specify that no repayment of AHP subsidy will be required on owner-occupied units if the amount of the AHP subsidy that would be repaid is less than or equal to $2,500.

- Revise the retention start date for ownership projects to be the purchase transaction closing date and for rental projects to be the date of issuance of the certificate of occupancy or certification of project completion.

Other Housing and Community Development Programs

The FHLB will continue to offer the following programs in 2019. 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 4, 2019. Funds are reserved on a first-come, first-served basis as long as funds are available.

Changes for 2019:
• The maximum first mortgage interest rate is 8.50 percent; and,
• Honorably discharged veterans and active duty military homebuyers may receive grants up to $7,500.

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.

Changes for 2019:
• The five-year retention mechanism is no longer required on grants of $10,000 or less.

Carol M. Peterson Housing Fund

The Carol M. Peterson Housing Fund provides grants up to $7,500 for accessibility rehabilitation and emergency repairs for special needs and elderly households. 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 June 3. Funds are reserved on a first-come, first-served basis as long as funds are available.

Changes for 2019:
• The five-year retention mechanism is no longer applicable.

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.
Please contact the Housing and Community Investment Department at 888-345-2246 with any questions.

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